

## THE TABLOID

**Paloma Picasso comes hither**



## THE TABLOID

**Music: nine pages of pop and classical**



## COMMENT

**Suzanne Moore: bad boys on the box PAGE 19**



# Human cloning in two years

Charles Arthur  
Science Editor

Human clones could in principle be created in less than two years, the scientist who led the team which produced Dolly, the cloned sheep, said yesterday.

News of the breakthrough in technology, revealed just 11 days ago, has given fresh hope to those hoping for a form of immortality through "cryonics" - the freezing of tissues at death. However, any such attempts seem likely to meet a wall of intense public hostility, according to an exclusive Harris poll for *The Independent* which finds that 72 per cent of the public think that such work "should never be allowed, and all research into it should be stopped." Another 19 per cent thought the research should be allowed to continue, under strict controls, with a decision taken later. Only 4 per cent think that such cloning should be allowed when it becomes possible.

That majority view was echoed by Dr Ian Wilmut, of the Roslin Institute, in Edinburgh, where Dolly was revealed to the world last month. He told MPs: "We would find this kind of work with human embryos offensive. We would support wholeheartedly the idea of prohibition in the most effective possible way."

But he said there was no reason why the technique could not be applied to humans by sufficiently determined researchers. "I've hesitated to make predictions, but I'm sure if you really wanted to do it, you could do it," he added. Dr Wilmut was giving evidence to a hastily called session of the cross-

party Commons Select Committee on Science and Technology to investigate cloning.

Supporters of cryogenics have for years hoped that by freezing their bodies at the point of death they could survive long enough for the technology to develop so they could be revived. A number of US companies offer "freeze storage" on that basis. In principle, it might be possible to find a suitable cell from which to clone the dead person. A Norwegian man, Trygve Baeve, has become one of the first to say that his frozen grandfather, Bredo Morstøl, could be brought back to life by cloning. The body has been kept covered in frozen carbon dioxide in a shed in Boulder County since 1994.

*The Independent* poll found that 54 per cent of people would support doctors being able to use genetic manipulation on test-tube babies to prevent them having serious inherited diseases and disabilities. Only 35 per cent opposed the idea. But 77 per cent opposed using such techniques to choose the sex of a test-tube baby, with just 15 per cent in favour.

Professor Graham Bultick, director of the Roslin Institute, admitted that he could see in *extremis* circumstances where someone somewhere in the world might attempt human cloning. But Dr Wilmut said its suggested applications made no sense.

"The idea that you can bring back your father, that is simply unscientific. You can make a genetically identical copy, but you can't get back the person you have lost." That may put the cryogenic lobby's enthusiasm back on ice.



Take your pick: A selection of Thormtons chocolate party leaders gives the floating voter something to chew on Photograph: Tony Buckingham

## Box beckons for sweet talkers

Anthony Bevins  
and John Rentoul

The prospect of a television-led election, dominated by head-to-head debates between leading politicians, including John Major and Tony Blair, is being talked up by Tory sources at Westminster.

One Cabinet source said he looked forward with "relish" to a clash of the leaders, but also to live debates between ministers and their Labour shadow counterparts. Michael Heseltine pitted against John Prescott; Kenneth Clarke up against Gordon Brown and Malcolm Rifkind versus

Robin Cook. Mr Blair has indicated that he would debate with Mr Major in any setting. Close colleagues of the Prime Minister say that, given the polls, he now has nothing to lose by picking up the Labour leader's gauntlet.

One broadcaster said yesterday that the man with the biggest problem could be Mr Blair. "Being so far ahead in the polls, would he want to risk it?" he asked.

That point was underlined by today's first pre-election Harris poll for *The Independent*, it gives Labour a 21-point lead over the Conservatives. The lead is bolstered by the finding

that 62 per cent of Labour voters say they will "certainly" vote Labour, while only 50 per cent of those who intend to vote Tory say they will certainly do so.

But head-to-head debates can be volatile. Harold Wilson said after his debate challenge had been rejected by Sir Alec Douglas-Home, the incumbent Prime Minister, in 1964, that he had been glad because a fit of hiccups could have lost it for him.

The Conservatives will insist on a strong invigilator, and if there is an audience of questions from viewers and listeners, careful vetting of participants. Mr Major said in an in-

terview on BBC television's *Newsnight* on Wednesday that he anticipated fighting a high-profile "personal" campaign on the policy divide between the contenders.

But Tory sources believe the depth and breadth of Mr Major's knowledge would "shine through" in televised confrontations with the "very inexperienced" Mr Blair and Mr Ashdown.

The most significant question that remains to be settled is broadcasting "balance", and the requirement to provide Mr Ashdown with a role in the debate.

*Independent poll, page 8*

## Labour chief in perks row quits

Christian Wolmar  
Westminster Correspondent

Two leading councillors in Doncaster have resigned following allegations that they took unauthorised trips abroad and had drunken "working" lunches on council taxpayers' money.

Doncaster Council leader, councillor Peter Welsh, and his deputy, Ray Stockhill, have stood down in the wake of a damning District Auditor's report published last month.

*The Independent* revealed exclusively three weeks ago that the report raised doubts about the legality of trips abroad taken by a number of councillors and it criticised the council for poor financial control. The council has withdrawn credit cards from all councillors and all but six council officers and has banned all trips to conferences, both domestic and abroad.

The councillors were under pressure from Labour Party HQ to stand down after the issue embarrassed the Labour leader, Tony Blair, who had been advised of the problems a year ago. Mr Welsh and another leading councillor, Tony Sellars, also failed to be shortlisted for the local vacant Don Valley seat after the revelations became public. Mr Sellars, who is deputy mayor recently decided not to stand as mayor because of the District Auditor's report.

Yesterday, Mr Welsh acknowledged the embarrassment councillors had caused. "After careful consideration I have decided to step down as leader of Doncaster Council. Allegations have been made which I need to clear up, and out of respect to the Labour Group and my colleagues, I feel at this time this is the only action I can take," he said in a statement.

Both men are to continue in their position of ward councillors on the council.

## Damning E.coli report held back

Steve Boggan and  
Charles Arthur

A watered-down version of a damning meat hygiene report which the Government claims was not suppressed was held back from a group of experts who wrote the original.

Three of the seven experts, whose report into Britain's abattoirs made grave warnings about *E. coli* poisoning, told *The Independent* yesterday that a fresh version - removing all mention of *E. coli* - was never shown to them.

The original report, scheduled for publication in March last year, would have severely embarrassed the Government, coming just as Stephen Dorrell, the Secretary of State for Health, announced a link between BSE and its human counterpart CJD. Since then, 21 people have died in *E. coli* outbreaks in Scotland and England.

The revelations came on a day when ministers faced widespread criticism over public health standards. As the Prime Minister and Douglas Hogg, the Agriculture Minister, yesterday sought to re-assure Parliament that they did not suppress the abattoir report, it was disclosed that almost 100 people in the South-east had fallen ill from drinking contaminated water and the British Medical Association had warned of a return to Victorian standards of public health.

Mr Hogg was forced to make a statement in the Commons following claims by Professor Bill Swann, deputy chief veterinary officer for the Royal Society for the Prevention of Cruelty to Animals, that a report on standards in British abattoirs, compiled for the Ministry of Agriculture's Meat Hygiene Service (MHS), was suppressed.

Among those who said they, too, were kept in the dark over the report was Pro-

fessor Hugh Pennington, head of the team investigating the *E. coli* outbreak which has killed 18 people in Central Scotland. He said he was "angry" that he had not been told about it. Also left off its circulation list were the independent Spongiform Encephalopathy Advisory Committee (Seac), which advises the Government on BSE, and the National Farmers' Union.

The original report was a £1m audit of over 400 slaughterhouses was edited by Professor Swann while he headed an audit team for the MHS. It expressed concern over the slaughtering of animals whose hides and fleeces were contaminated with faeces and highlighted a raft of other hygiene concerns, which were edited down in the final version.

The original report said: "Organisms such as *Escherichia coli* 0157 and salmonella can be introduced into the plant on the skins of dirty livestock." It recommended introducing a national policy on contamination of abattoirs by livestock and was submitted to the MHS in December 1995. Professor Swann said it was to have been published in March 1996 but he was put under pressure to water down its findings and it finally appeared in an edited form, and without his knowledge, in August 1996.

Yesterday, the Ministry of Agriculture, Fisheries and Food (MAFF) said the report was circulated to interest groups. But Professor Swann said: "I wasn't made aware of this final version until today. ... I am furious that MAFF should have put out in an edited version with my name on it without my consent. I would not have given that consent."

Two of the experts contacted by *The Independent* were also not sent the final version. Further reports, page 5  
Leader, page 17

## QUICKLY

**Euro-tax body**  
Ideas for a European fiscal citizenship leading to the establishment of a European tax authority are to be discussed at a high-level meeting on tax reform next week. Page 14

**School tables alert**  
Parents are today receiving written "health warnings" from head teachers urging them to treat primary-school league tables published for the first time next week for 11-year-olds with extreme caution. Page 10

**Football trial replay**  
Football stars Bruce Grobbelaar, John Fashanu and Hans Segers are to be re-tried on charges that they conspired to fix Premier League football matches for a Far Eastern syndicate, the Crown Prosecution Service confirmed yesterday. Page 4



Pablo Picasso: "Tête de Femme"

## Pony-tailed thief takes Picasso for ride

Jason Bevanetto  
Crime Correspondent

A man brandishing a sawn-off shotgun took less than a minute to steal a Picasso painting worth about £600,000 from a commercial gallery in the centre of London yesterday before hijacking a taxi and escaping.

Gallery staff chased the robber, who was described as looking like an "art student", but he threatened them with the gun.

Art experts believe the painting, named *Tête de Femme*, an impressionistic portrait painted in 1939 by Pablo Picasso of his then mistress

Dora Maar, may have been stolen to order. But it is probably unsaleable.

The raid took place at about 11am when the man, who made no effort to hide his face and was captured on the shop's surveillance camera, stroled into the Lefevre Gallery, Bruton Street.

Jacques Cartwright, a sales assistant, said: "He looked like an art student with long hair in a pony-tail. He asked the price of the painting and I answered him."

"Then he told me he had a shotgun and he wanted the picture. 'I said 'I beg your pardon'. 'He said 'Get it off the wall for me', and I said I couldn't. I told him to get

it himself, so he did and then he ran out."

Members of staff followed the fleeing man who had a taxi waiting nearby. The thief pointed his shotgun out of the cab window before ordering the unwitting driver to take him to Wimbledon in south-west London.

The taxi driver, who was left a £10 tip and the picture frame on the back seat, contacted the police after dropping off his passenger.

Martin Summers, the managing director of the gallery, said the gunman took only 35 seconds to carry out the raid. "It didn't seem that he took the picture at random," he said.

The oil painting is 60cm by 45cm large and had been insured for \$1m. The insurers have offered £50,000 reward. It had been recently bought by the gallery. Previously it had been owned by the Picasso family collection.

Mark Dalrymple, the loss adjuster, said the painting was "impossible" to sell on the open market because it was so well known.

The owner of a nearby art gallery, Roy Miles, suggested that it may have been stolen to order. "Obviously, a private buyer wanted a Picasso and will now hide it away and enjoy it privately, unless the police find him," he said.

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## significant shorts

## Express train derailed near Devon station

A full-scale emergency operation was launched last night after a rush-hour high-speed train came off the rails near Newton Abbot station in Devon. Early reports could not clarify how many people on the train - Great Western's 15.35pm service from London Paddington to Penzance - were injured. It was thought the train had been travelling at low speed at the time of the incident.

The derailment occurred at the height of the rush-hour, shortly before 7pm. A Devon police spokesman said all available rescue services were heading for the scene. "We don't yet know how many people were on board or if there are any injuries, but we have drafted in emergency services from neighbouring areas to assist. As far as we know the whole train has come off the rails somewhere on the Teignmouth side of Newton Abbot," he said. Delays were expected while the track was cleared.

Matthew Brace

## Lib Dems launch green guarantee

The Liberal Democrats yesterday unveiled their green programme to cut pollution, save energy and protect wildlife habitats. The party prides itself on being the most environmentally friendly of the three main parties. Matthew Taylor, the party's environment spokesman, launched Our Green Guarantee, and declared that it set the green agenda for the 21st century.

The guarantee sets out 10 key priorities: Cutting VAT and employers' national insurance contributions and introducing a new carbon tax; cutting road tax from £145 to £10 on cars with smaller engines; introducing a major energy conservation programme targeted on low-income and high-need households; reforming the Common Agricultural Policy; scrapping the Common Fisheries Policy and replacing it with a Europe-wide system of regional fisheries; improving the rail network and setting new targets for reducing pollution and waste.

## Jerry Lewis on West End stage



The American comedian Jerry Lewis will be the latest Hollywood star to make a late debut on the West End stage. Lewis, 70, (left) will head the all-American cast of *Damn Yankees* at the Adelphi Theatre from June. He has already had a hit with the classic musical on Broadway and an American tour. Lewis will join Gene Wilder and Jessica Lange, who are already starring in West End productions. From the world of television, *Northern Exposure*'s Rob Morrow is appearing in *Birdy*. Lewis, who has acted, directed, written and produced more than 60 films, became a legend in partnership with Dean Martin, but they split in acrimony after 10 years.

## Peugeot unions call overtime ban

Union leaders yesterday called an overtime ban at the Peugeot car plant in Cwmwrt to be followed by an all-out strike unless management settles a pay claim and withdraws plans for longer shifts. Members of the Transport and General Workers' Union and the Amalgamated Engineering and Electrical Union will refuse to work overtime from next week Friday and walk out on indefinite strike a week later.

The decision to delay the start of disruption allows breathing space for negotiations. At Ivoco Ford workers have voted to fight the closure of the plant at Slough, Berkshire. **Barrie Clement**

## Two remanded on rape charges

Two men were remanded in custody for a week yesterday accused of raping a girl under the age of 16. John Hammond, 71, and Richard Mulvey, 28, both from Portsmouth, Hampshire, face charges of raping the same girl. Mr Hammond is alleged to have carried out the assault between 1 January 1994 and 31 December 1994, while Mr Mulvey is alleged to have raped the girl between 1 January 1994 and 6 March 1997.

They were remanded in custody by Portsmouth magistrates until 13 March. Both men were arrested during road raids by Hampshire Police on Wednesday when 11 people were taken into custody after a major investigation into alleged child abuse.

## Obsessed teenager hanged himself

A teenager who became obsessed by the death of the rock star Kurt Cobain and was "brain-washed" by his lyrics hanged himself in his mother's spare bedroom, an inquest was told yesterday. Nicholas Powey, 17, idolised the lead singer of Nirvana who shot himself in April 1994. Nicholas left behind a folder in which he had scribbled lyrics written by the band.

His mother, Lynette Griffiths, told the inquest at Portsmouth, Hampshire that her son had become brain-washed by Cobain's death. In a statement read to the hearing she said Nicholas "idolised" the rock star and said he had no other reason to kill himself. His body was found by his step-father at their home in Portsmouth on 12 January. The coroner James Kenyon recorded a verdict of suicide, saying: "Clearly he had come under the influence of this particular rock star. It seemed from his writings that he had almost an obsession with his music and lyrics and he clearly had idolised him, tragically where he wished to follow his idol even into death."

## THE INDEPENDENT ABROAD

Austria ... 57.25 ... 1.00 ... 73.00  
Belgium ... 10.50 ... 1.00 ... 14.00  
Canada ... 2.00 ... 1.00 ... 2.00  
France ... 11.00 ... 1.00 ... 11.00  
Germany ... 11.00 ... 1.00 ... 11.00  
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Japan ... 11.00 ... 1.00 ... 11.00  
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## people



Brigitte Bardot and friends: Her comments hurt her son and ex-husband (Photograph: FSP)

## Bardot in the doghouse for wishing her son was a puppy

Brigitte Bardot and her publisher have been ordered to pay £28,000 in damages for hurtful remarks about her son and ex-husband in her best-selling autobiography.

A French court rejected her demand that the offending chapters - including a reference to her unborn son as a "cancerous tumour" - should be excised from future editions. Instead, the court ordered that the book should carry a kind of legal health warning, labelling certain passages as an invasion of personal privacy. Jacques Charrier and his son, Nicolas, now 36, had claimed damages of more than £1m for the 80-odd pages about them in the worldwide best-seller, *Intimité*, published last year. Ms Bardot and her publisher, Grasset, have been ordered to pay £17,000 to Mr Charrier, her second husband, and £11,000 to her son.

The retired actress, 62, now best known for her support for animal causes and the far-right Front National, is estimated to have earned at least £3m from the prize-winning book. In it, she describes her horror at finding herself pregnant in 1959: "I looked at my flat, slender belly in the mirror like a dear friend upon whom I was about to close a coffin lid."

She revealed that, in an attempt to abort the child, she had repeatedly punched herself in the stomach and asked her doctor for morphine.

Lawyers acting for her son, now living in Oslo, also complained that he had been deeply wounded by her remarks at a press conference, when she said she would have "preferred to give birth to a little dog".

Mr Charrier senior complained of her brutally detailed account of their brief and disastrous marriage. Ms Bardot described him, *inter alia*, as a failed singer and actor who drowned his professional disappointments in drink and back-biting.

Despite her own initial rejection of her baby, she also complained that Mr Charrier had deprived her of access to her son for "trivial" (literally, in the French, "penis-nibbling") reasons. Her lawyers had told the court that Ms Bardot's book had violated no-one's privacy but her own. As "the most famous Frenchwoman in the world", Ms Bardot had the right to speak frankly of her own life. They also argued that the remarks about her son could not be an invasion of his private life because, at the time, he was only a foetus.

John Lichfield, Paris

## Attlee was really a Tory, says his daughter-in-law

Clement Attlee (right), the Labour leader whose landmark election victory in 1945 toppled Winston Churchill, whose reforms established the Welfare State and who is a political hero of Tony Blair, was secretly a Tory, his daughter-in-law said yesterday.

Margaret, Countess Attlee, whose stepson this week announced his intention to transfer allegiance from the cross-benches in the Lords and join the Conservative peers, added that her late husband, the second Earl Attlee had discussed with Tony whips his desire to cross the floor in the days just before his death. Indeed, the second Earl had never taken the Labour whip in the Lords when he succeeded the title after the death of his father in 1967.

"I find it of interest that his son, the third Earl, has also committed himself by pledging his allegiance to the Tories," she said. "But I have always believed that Clement was a Conservative with a conscience. He was not a tremendous left-winger and that was the family tradition."



But the late prime minister's politics were always at odds with his family, said his cousin, Helen Rogers: "He was known as Boris Clem in the family. It was seen as rather amusing that he became a Labour MP," she said. "The rest of the family voted Tory and it was quite a surprise that Clem went the other way."

Some members of the family refused to speak to Attlee when he first joined the Labour Party. Mrs Rogers' mother, Hilda Attlee, apparently said: "I won't have that man in my house again." But once he was prime minister she held a party in his honour.

Kate Watson-Smyth

## Whitelaw fined over road crash

The former deputy prime minister and home secretary, Lord Whitelaw, was fined £75 for careless driving yesterday after a court heard his Range Rover was involved in an accident that left three elderly people injured.

Lord Whitelaw, 78, entered a guilty plea to driving without due care and attention before magistrates in Wigan, Cumbria. The court heard that Lord Whitelaw, of Ennismore, near Penrith, Cumbria, was on his way home from playing golf when he pulled out at a crossroads on the A595 near Wigan on the path of a BMW.

The BMW rolled over in the accident. The driver, retired Ronald Weightman, his wife Margaret and friend Marjorie Bell, were returning home from a shopping trip. Mrs Weightman was the most seriously injured, with a broken breast bone.

Lord Whitelaw, who was not in court, was also ordered to pay £40 costs and had four penalty points imposed on his licence.

He was said to have told police that he had waited some time at the crossroads but it was very difficult to see very far down the road because the sun was so low.

## briefing

## MEDICINE

## Antibiotics make little difference to a sore throat

Prescribing antibiotics for sore throats makes little difference to how quickly they disappear, according to a paper in the *British Medical Journal*, published today. A total of 716 "sore throat" patients were divided into three groups: the first was given a 10-day prescription for antibiotics; the second was given nothing; and the third group was given a prescription if the symptoms did not start to settle after three days.

The proportion of patients better by day three did not differ significantly between the three groups, nor did the length of their illness, days off work or school, or the (high) proportion of patients satisfied. More than two thirds of patients in group three did not use their prescription.

The authors of the study, at Southampton University's Faculty of Medicine, conclude that unless patients with sore throats are very ill, doctors should avoid prescribing antibiotics - or offer antibiotics only if symptoms persist.

Annabel Ferriman

## TRANSPORT

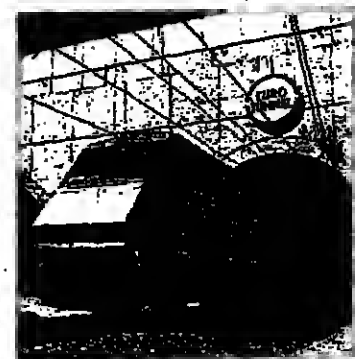
## Tunnel traffic recovers from fire

Channel Tunnel shuttle trains are now carrying nearly as many vehicles as they did before the massive underground fire, Eurotunnel announced yesterday.

The Shuttle carried nearly 124,000 vehicles last month, more than 40,000 more than in January and 5.5 per cent more than in February 1996. Despite reduced capacity, Le Shuttle has now recovered 80 per cent of the market share it achieved last October - the month before the fire.

The number of passengers using the London to Paris and Brussels Eurostar trains through the tunnel also rose last month. Eurostar carried nearly 392,000 passengers in February compared with just over 299,000 in the same month last year.

Through-freight trains using the tunnel carried 218,238 tonnes last month compared with 190,078 tonnes in February 1996. The Le Shuttle freight train service is still to restart after the fire. Eurotunnel is currently carrying out repair work in the damaged section of tunnel and hopes to be running to full capacity by June.



## HEALTH

## Mammograms pose suicide risk

A positive result from a mammogram - an X-ray to screen women for breast cancer - might on two occasions have resulted in suicide, says a letter in today's *British Medical Journal*.

Two Birmingham Health Authority doctors examined local coroners' records between 1992-95. They found that two women had committed suicide between receiving notification of recall after mammography and reattending. Neither woman had attempted suicide previously, but both had had a child who had died of (non-breast) cancer.

The first woman, who was awaiting follow-up treatment after a mastectomy, wrote her suicide note on a hospital letter and gave no other reason. The second woman had a history of depression and alcohol problems and had an appointment for investigation of a suspected lump. She left a suicide note mentioning her fear of admission to hospital.

Annabel Ferriman

## BROADCASTING

## Listeners still deserting Radio 1

Radio 1 lost 135,000 listeners in January, the month when its star disc jockey Chris Evans left the breakfast show. Leaked audience figures also show that those tuning in to the station listened for 10 per cent less time than in the last quarter of 1996.

Listeners had already started to drift away from the station before Evans even left. Radio 1 had lost 600,000 of its 11m listeners in final quarter of 1996, the last period that the official Rajar figures cover.

Meanwhile, Radio 5 Live has hired Richard Littlejohn, the outspoken columnist and broadcaster, as a replacement for presenter Danny Baker who was sacked on Wednesday for insulting listeners.

Paul McCann

## WORK

## Women suffer real-terms pay cut

Some of the lowest-paid workers in the country - all women - have suffered a wage cut of up to £5 a week over the past year, according to a report published today. The worst-paid childcare assistant earned £115 a week last year, compared to £120 12 months earlier, while hairdressers and cleaners saw their pay dip below £100, a cut of over £4.

The Low Pay Unit, which compiled the report using figures from the Government's New Earnings Survey, called for sweeping changes to pay legislation to help women achieve genuine wage equality.

Pay had deteriorated rapidly since 1993, when the Government abolished Wages Councils, said the unit.



## NEWSPAPERS SUPPORT RECYCLING

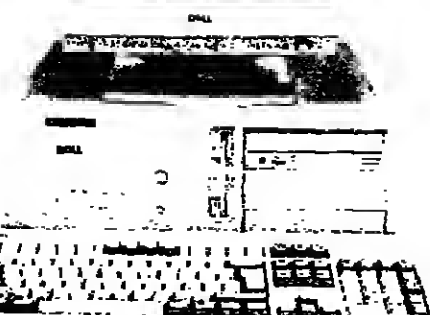
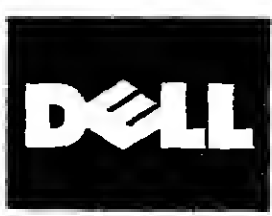
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هكذا من الأصل



Sadler's Wells falls first victim to Budget changes which let Treasury snatch millions of pounds in grants

# Arts to lose lottery cash to taxman

Anthony Bevis  
Political Editor

Sporting and arts establishments receiving huge lottery grants have been caught up in a Budget change which may leave them losing millions of pounds in tax benefits.

A reduction in tax allowances announced in the Budget means that hard-earned funds risk being snatched back by the Treasury.

London's Sadler's Wells is the first to fall victim to the Budget plan, which is intended primarily to change the tax benefit given to long-term industrial investment projects - like power stations.

A £40m redevelopment project for the London theatre has already received £30m in lottery funds.

With the active encouragement of the Department of National Heritage, the theatre has so far raised almost £5m in cash donations and pledges, and it had been hoping to raise guarantees for the rest of the cash through a leaseback deal with a bank.

However, the Budget change has made the Sadler's Wells deal considerably less attractive because money raised through leaseback is now classed as taxable income, leaving the theatre short of its immediate target.

Jim Albery, chief executive of Sadler's Wells, told *The Independent*: "It's a bloody business, and makes things twice as hard for us."

In essence, the security may only be partially realised, and it leaves us on something of a

knife-edge. But I'm not having sleepless nights and we will win through. We will complete the project, on schedule, in October 1998."

An Arts Council source said the Treasury already planned to exclude investment in machinery and equipment used in homes, shops, showrooms, hotels and offices, and shipping and railway assets were also exempted.

But he warned: "Unless the exclusion includes arts projects funded by the lottery, a number of current and future

It is a classic case of one hand in Whitehall not knowing what the other hand is doing

plans may be placed in serious jeopardy.

The additional revenue foregone by extending the exclusion to arts venues would be a fraction of the costs already forecast, and for which it would be a grave disappointment to prejudice such worthy and popular developments."

However, an Inland Revenue spokesman said: "Theatres and sports redevelopment schemes are not treated any differently from any other business in this respect."

One arts source complained

strongly that it was a classic case of one hand in Whitehall not knowing what another hand was doing.

While Virginia Bottomley, Secretary of State for National Heritage had been encouraging sport and the arts to develop "partnership finance" with private backers, the Treasury was actively engaged in setting up a tax deterrent.

A spokeswoman for the Department of National Heritage said: "This is a matter for the Treasury. We cannot comment."

When told that the Inland Revenue had said it would offer no prospect of relief, she repeated twice: "This is a matter for the Treasury. We cannot comment."

In a Treasury briefing note on the initial proposal, announced in November's Budget by Kenneth Clarke, Chancellor of the Exchequer, it was said that the tax penalty would apply "only to companies that invest heavily in long-life assets".

But Treasury minister Michael Jack has told Lord Gowrie, chairman of the Arts Council, that he holds out no hope for relieving theatres from the measure.

Mr Albery said that the Sadler's Wells project was continuing, and that the show would go on.

"Demolition is complete, the excavations have been carried out, and the foundations are being laid. We have even drilled a 600-foot bore-hole so that we can have our own water."

Water out of stone is one thing, extracting tax relief from the Treasury, is much more difficult.



Pyramid sellers: Sarah and Ermina, dancers from the Cairo Opera Ballet, at the Egyptian wing of the British Museum yesterday. The group is performing at the Riverside Studios, west London, until 28 March as part of a celebration of Egyptian culture. Marhaba Photograph: Laurie Lewis

## Students granted dramatic support

Kate Watson-Smyth

Students who struggle to afford their place at dance or drama school are to benefit from a new scheme using lottery money, the Arts Council announced yesterday.

Independent drama and dance colleges will be able to apply on behalf of students for joint government and lottery grants, to help fund the £7,000 a-year tuition fees.

Lord Gowrie, chairman of the Arts Council, said the scheme was an interim measure designed to bridge the gap until

the Government can find a means of supporting training for these students. He warned it was not a perfect solution.

"I am delighted that the Government has now gone a considerable way towards acknowledging the anomaly in the funding of students of dance and drama as compared with music and the visual arts," he said.

"This scheme is not perfect, as it still depends on the local authority giving out a discretionary grant, but now they will not have to pay out as much and may be more willing to help."

The number of discretionary grants awarded has fallen by 44 per cent since 1987, but under the new scheme, a student will only need a grant of £1,250 before the college can make up the rest of the course fees.

The scheme will run for four years. It will cover the full, two- and three-year courses for dance and drama students and two-year stage management courses, beginning in autumn 1997 and 1998.

Martin Brown, spokesman for Equi, said the organisation welcomed the scheme. "We welcome anything that eases the

burden on dance and drama students but we look forward to a permanent resolution to the problem of funding."

"Grants for dance and drama should be mandatory," he said.

Ivor Widdison, of the council of local education authorities, said about 20 LEAs out of a total 140 had agreed in principle to the scheme.

"The LEAs are in dire financial straits and their ability to award discretionary grants has fallen dramatically but we acknowledge that something needed to be done and this

scheme has merit," he said. Nicholas Barter, principal of Rada, welcomed the announcement but urged the Government to tackle the long-term problem: "We are delighted that the Arts Council has come up with this scheme but there needs to be a proper solution."

"We are only asking for parity with music and arts students who get mandatory grants."

Simon Woods, general manager of Birmingham School of Speech and Drama, said they were delighted by the news. "It is not the whole solution but at least it is something," he said.

## Hollow bones of flying reptile rewrite evolution

Charles Arthur  
Science Editor

This 250-million-year-old skeleton, of the first known flying vertebrate, has made scientists reconsider their ideas on how organisms can evolve.

The skeleton, discovered in 1910 in a copper mine in central Germany, is of a reptile called *Coelurosaurus*. As well as walking, the animal could glide using a unique set of wings consisting of long, hollow bones that formed directly in flaps of skin, and not as a modification of existing limb structures as is the case in modern-day birds, bats and flying lizards.

It pre-dated the first feathered animal, *Archaeopteryx*, by almost 100 million years. Instead, the 30-centimetre *Coelurosaurus* could probably fly for tens of metres by opening out its "wings" like a Japanese fan, and taking off from a suitable high point - rather



like modern flying geckos, of which it is an ancestor - and using its long tail for balance in the air.

But scientists have been amazed by the way that the

bones grew. "*Coelurosaurus* is totally bizarre because in every other animal that flies, wing support draws on the normal skeleton," says Hans-Dieter Sues of the Royal Ontario Museum,

commenting on the find in today's edition of the journal *Science*. Bats and birds, for example, have wing bones which are converted forelimbs.

Robert Carroll, a vertebrate paleontologist at the McGill University of Montreal, said: "We typically think of evolution as taking an existing structure and making some new function of it, but this animal has taken the capacity to produce bone and elaborated it in a completely unique way."

The skeleton was discovered by a German copper miner, who labelled it "Flying Reptile". Ironically, the paleontologist he sold it to found the shape so improbably that he reckoned it was two superimposed sets of bones - a fish's fins on top of a reptile.

It is only now that scientists have realised they were wrong. "This demonstrates how early flight, even if not active, flapping flight, was achieved by vertebrates," said Dr Carroll.

## Opinionated young nurse gives a Queen her blessing

Kate Watson-Smyth

Florence Nightingale, immortalised as the gentle Lady of the Lamp, was in fact a strong-minded character who was not afraid to voice her opinions.

In a letter written to a friend after the young Queen Victoria had announced her engagement to Albert, Nightingale said she was too young for marriage.

"I wish she would have waited," she wrote in the eight-page letter of December 1840 to a Miss Strutt.

"We have been hearing a good deal lately of the virtues of the King Consort our 'beauteous Majesty' has taken to herself - from one of the grooms-in-waiting.

"So well-bred, so handsome, so simple, even according to English notions, and though both of them are 'er' young so marry yet' it seems that she could not have chosen better. "I wish however that she

would have waited - but there was a certain tender mercy at parting which bequeathed her to be really fond of him."

Queen Victoria married her cousin, Prince Albert of Saxe-Coburg-Gotha, in 1840, when

she was 21. Felix Pryor, manuscript specialist for Phillips the auctioneers, said that Nightingale came from an affluent bourgeois family and that she had been presented at court.



Florence Nightingale: 'Her family was very rich, while at the same time being advanced thinkers'

"The letter indicates she is being faintly facetious," he said. "She was a member of the upper classes and her family was very rich, while at the same time being advanced thinkers."

"Coming from this very privileged background, she had been introduced to Queen Victoria. One doesn't often think of Florence Nightingale as being the equivalent of a deb."

Elsewhere in the letter, Nightingale tells her friend of the refurbishment of Embley, in Hampshire, one of two family homes.

"We are more and more pleased with Embley, now it is finished, notwithstanding the usual number of unprecedented delays, made by Mr Pratt of Bond Street. Our fatted pig should be killed if you would but come and see us."

Both that letter and another written in 1831 will be auctioned at Phillips next Thursday with a pre-sale estimate of around £400.

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# Watchdog clears Howard over £1m bribe claim

Christian Wolmar  
Westminster Correspondent

An allegation that Michael Howard, the Home Secretary, received a bribe of £1m to ensure that there was an investigation of Mohamed Al Fayed's takeover of Harrods, has been firmly rejected by a parliamentary investigation.

But the report, published yesterday, of the investigation by Sir Gordon Downey, the Parliamentary Commissioner for Standards, provides fascinating details of the battle and subsequent reconciliation between Mr Fayed and his defeated opponent in the Harrods takeover battle, Tiny Rowland.

The allegation was made by Mr Fayed when he gave evidence to a parliamentary committee in November 1995 and Sir Gordon felt it was so serious that he launched an investigation.

Mr Fayed alleged that after he and his brother acquired control of the House of Fraser in March 1985, two trade and industry secretaries, Norman Tebbit and later Leon Brittan, rejected calls by Tiny Rowland's company, Lorrith, for an enquiry by the Monopolies and Mergers

Commission. However, in April 1987, by which time Mr Howard was a junior minister at the DTI, the Department did appoint inspectors to look into the takeover.

Mr Fayed then constructed an elaborate conspiracy theory around the fact that a distant cousin of Mr Howard, Harold Landy, had worked for Mr Rowland and was the supposed conduit for the cash. Mr Howard lived in a house above his means, Mr Fayed claimed, and why else would the Government's policy have changed other than through a bribe?

To try to get concrete evidence for his claims, Mr Fayed held a series of meetings at his Harrods HQ in 1994/5 with Mr Rowland, after the two had reconciled, which were secretly videotaped. In an edited version of the tapes sent to Sir Gordon, Mr Rowland is seen making some statements which on first reading might suggest that he is agreeing he paid a bribe. At one point, Mr Rowland says: "Michael Howard's got a million, a million and a half or whatever it is."

However, Sir Gordon dismisses the allegation and refutes

all the supposed "evidence". He says that the fuller version of the videotapes, obtained with some difficulty from Mr Fayed, show that Mr Rowland rejects on numerous occasions suggestions from Mr Fayed that a bribe was paid to Mr Howard.

Sir Gordon also investigated Mr Howard's bank accounts dating from the start of the Eighties, and found nothing untoward. Sir Gordon explains the change in government policy on the enquiry resulted partly from Lorrith lobbying, but was mainly instigated because of new information. In any case, he said, Mr Howard's role in the change was no more than expected of a junior minister.

Sir Gordon concludes: "I have no reason to think that Mr Al Fayed is not telling the truth as he sees it. But in this case, at least, it is a version of the truth which appears to have been distorted by emotion."

Reports which reject complaints are not normally published but in this instance, Sir Gordon asked the Committee on Standards and Privileges to publish it because he sought to "authoritatively and publicly dismiss" the allegations.



A cross marked in the sand at Zeebrugge in Belgium marks the 10th anniversary of the Herald of Free Enterprise disaster. Photograph: Brian Harris

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## Footballers to face retrial

**Michael Streeter**

Soccer stars Bruce Grobbelaar, John Fashanu and Hans Segers are to be re-tried on charges that they conspired to fix Premier League football matches for a Far Eastern syndicate, the Crown Prosecution Service confirmed yesterday.

On Tuesday a jury at Winchester Crown Court failed to reach a verdict on any of the charges against the trio and the fourth defendant, Heng Suan Lim, a Malaysian businessman, after nearly 11 hours of deliberation.

The Crown Prosecution Service, which had announced its intention to seek a re-trial immediately after the first jury was discharged, said the decision had been taken in consultation with law officers. Sir Nicholas Lyell, the Attorney-General, was among those consulted over whether a further trial was in the public interest.

A date has still to be set for the new trial, which will be on the same charges as the four faced in the seven-week case at Winchester. The first, against

Mr Lim, former Aston Villa and Wimbledon striker Fashanu, 34, and former Wimbledon goalkeeper Segers, 35, alleges that between 1 February 1991 and 9 November 1994, they conspired to give and corruptly accept gifts of money to influence the outcome of football matches.

A second count, against Mr Lim, Fashanu and former Liverpool and Southampton goalkeeper Grobbelaar, alleges a conspiracy in similar terms between 1 November 1992 and 9 November 1994.

Grobbelaar faces a separate charge that he corruptly accepted £2,000 from Christopher Vincent for improperly influencing or attempting to influence the outcome of a football match or matches.

All the defendants maintain their innocence.

Grobbelaar's solicitor, David Hewitt, said: "We are extremely disappointed by the decision... to pursue this case after a trial lasting seven weeks failed to produce a single verdict... We cannot believe that it is in the public interest to continue."

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# Doctors warn of a return of past plagues

Public-health system slipping back into 19th century, BMA says

Annabel Ferriman

Britain is returning to the nineteenth century in terms of public health, with problems such as dirty water, contaminated food and old infectious diseases re-emerging, the British Medical Association said yesterday.

Sandy Macara, the association's chairman, said: "We have slipped backwards. The public health legislation of the nineteenth century put Britain ahead of other countries by addressing the issues of contaminated water and food."

"Yet we still have all these problems today in an affluent society. These lessons were acted on by governments long before there was universal suffrage. But now we have become careless."

"We assume that these problems will not happen and if we get ill we can just pop along to our friendly GP, who will give us some antibiotics," he added.

Dr Macara was outlining the BMA's manifesto for the general election.

Although it suited both main political parties to keep health out of the news, health care was

the number-one election issue for most of the public, he said. "The politicians would love health issues to go to sleep, because they have not got a coherent strategy for tackling them."

The association wants to see both parties promote health rather than "linker with the NHS".

It issued six challenges to all political parties, "demanding new targets for helping the disadvantaged, reducing the hazards of tobacco, dealing with the problems of young people and developing environmental, housing and transport policies."

Any incoming government would have to tackle the question of poverty and inequalities in health, he said.

"What concerns us is that the gap between rich and poor is demonstrably growing," he added.

Mac Armstrong, the association's secretary, said: "It is 20 years ago this year that Sir Douglas Black set up his committee to look at inequalities of health. It demonstrated unequivocally that there was a link between poverty and ill-health, and that such a link was not just

a piece of dogma. Since that time, the evidence has been gathering."

The evidence that Professor Michael Marmott has been gathering at University College London shows that even in the Civil Service, the gap has widened between rich and poor. By not tackling the preventable causes of ill-health, we are wasting resources.

"Look at the resources which went into tackling the E. coli outbreak in Scotland, which was entirely preventable. We forget, at our peril, that we are living in a hostile environment. This is a dynamic situation. There is no such thing as a conquered bug. You only have to look at the spread of MRSA [multi-resistant staphylococcus aureus] and drug-resistant strains of tuberculosis to realise that. Doctors are fire-fighting all over the place, and that is a waste of resources," Dr Armstrong added.

The King's Fund, Britain's leading independent think-tank, outlining its election strategy, yesterday, listed the four most important issues in health care as inequalities in health and access to health care; the future

of the NHS; the lack of a democratic voice in the health service, and community care.

Ken Judge, director of the King's Fund Policy Institute, said: "There is a fundamental difference between the Conservative and Labour parties in their approach to inequality. In 1980, the Government did the most in its power to suppress the Black Report on inequalities in health. Most of the Labour Party documents emphasise the importance of inequalities."

"The Government has belatedly acknowledged that social variations in health exist and taken some initiatives to tackle them. But we regret the fact that they have not taken a broad social and economic approach to health inequalities."

Robert Maxwell, secretary of the King's Fund, said any incoming government would need to consider the rationing of health care.

"It is not good enough to have people struggling at the local level as to what is within the NHS and what is not. The question of whether such services as *in-vitro* fertilisation are provided on the NHS or not, are national, not local issues."

## Parasite in water makes 100 sick

Nicole Vassh

Almost a hundred people are suffering severe stomach sickness after drinking tap water was contaminated with a microscopic parasite, it emerged yesterday.

Doctors from West Hertfordshire Health Authority say 85 people have severe diarrhoea after their water was infected with the micro-organism *cryptosporidium*.

And thousands more householders were yesterday told to boil their water after a separate outbreak caused another eight people in Bedfordshire to fall victim to the infection. French-owned Three Valleys Water issued the warning to 25,000 homes in Bedfordshire following an earlier alert on Sunday to 750,000 people in Hertfordshire and north-west London.

Three Valleys communication manager Frank Fitzpatrick said: "The two incidents are not linked. Bedfordshire is supplied by a reservoir, while the other areas are supplied by ground water sources."

"We are still unable to establish whether the outbreaks are a result of direct water contamination."

Dr Barry Tennison, director of health for West Hertfordshire, said people should continue to boil water for drinking, cooking and brushing teeth.

"There may be more cases in the next few days because there is a 7-10 day incubation period," he said. Doctors at Bedfordshire Health Authority said a boil notice should be issued after seeing an increase in the number of severe diarrhoea cases.

*Cryptosporidium* belongs to a group of protozoa occurring in the farm animal dung. It is normally spread through contaminated water or contact with an infected person. Unpasteurised milk and offal also carry risks.

If independent inspectors from the Drinking Water Inspectorate find the company negligent, they might press for prosecution.



Bugged: Mr Hogg, who hurt his ankle at the weekend, at Number 10 Photograph: Reuters

## Labour enraged as Major denies cover-up on E coli

Colin Brown  
Chief Political Correspondent

The Prime Minister and Douglas Hogg, the Agriculture Minister, yesterday denied there had been a cover-up over an unpublished report warning of the danger to public health of E. coli contamination in red meat, and sought refuge in blaming their officials.

John Major and Mr Hogg were accused by Labour of applying a new doctrine of "ministerial infallibility" by refusing to accept responsibility for failures to warn the public of the risks from E. coli contamination in abattoirs, which caused illness and deaths in Scotland in other parts of Britain, particularly among the elderly.

The European Commission expressed concern that it had not been told of the report and

asked the Government to supply it with a copy.

The Government sought to calm public anxiety and quell renewed calls for Mr Hogg's dismissal by volunteering an emergency Commons statement over press disclosures about the report.

Mr Major and Mr Hogg were forced on to the defensive as Labour accused the Government of suppressing the report on the threat of E. coli in meat at the height of the BSE crisis because they feared it would compound the damage to the Government in the run-up to the election.

Mr Major accused Tony Blair of "raising scares" about the safety of meat. Mr Hogg, who was brought to the brink of resignation over his handling of the export ban on British beef, told MPs the report to the Meat Hy-

giene Service cost £454,000, although it had never been published. Labour MPs reacted with astonishment when Mr Major, in clashes with Mr Blair, said ministers had not received it. "That is true," said Mr Major. "It was a working document." Mr Blair said the report covered 54 pages and contained 81 recommendations. It warned of "serious concern about the contamination... If he says this, I say: 'Why not?'"

Mr Major said: "The point you perhaps genuinely do not understand is that it was working document... There are huge numbers of working documents of this sort every year. If they all came to ministers, if ministers read every one, ministers would do nothing else at all. You have been in Opposition so long you don't under-

stand that." Mr Hogg also insisted the existence of the report had been made explicit in the annual report of the Meat Hygiene Service, because it referred to a review. "Anyone who knows anything about government reviews knows they generate a report. If anyone had wanted the report, they only had to ask for it. I would have sent a most lordly number."

But Labour MPs told Mr Hogg he could not "have it both ways" by saying he had received the report, and claiming the Opposition should have known of its existence. Brushing aside allegations that he was responsible, Mr Hogg said: "Policy is a matter for ministers. In this case, implementation of policy is a matter for the agency. I have total confidence in the chief executive."

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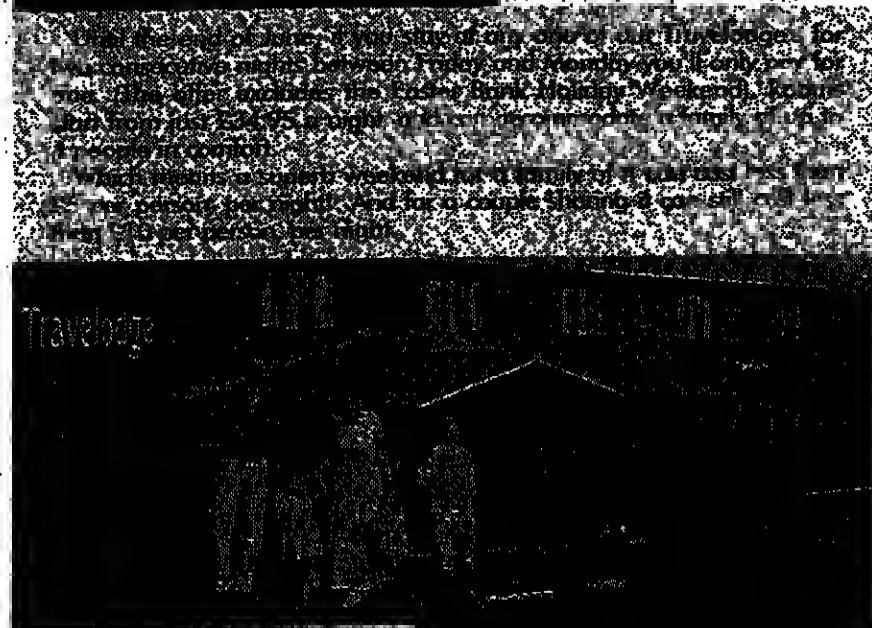
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## news

# This woman is allergic to modern life. Only now are officials trying to help her

Ian Barrell

Living in tents and sheds in rural exile, they could become the fastest growing community of the new Millennium.

Allergic to modern living, they live off organic foods and shun shopping centres and traffic junctions through fear of becoming seriously ill.

Take Gillian McCarthy. She has been reduced to living in a tent, 300 yards from the sea, off the coast of Dorset.

A former biochemist, she lives in fear of reactions to perfumes, petrol fumes and even tap water.

Ms McCarthy is a victim of multiple chemical sensitivity (MCS). Until now, she and fellow sufferers have struggled to persuade the authorities that their condition exists rather than in their imagination.

But now, in a major breakthrough, the Department of Health and the Health and Safety Executive have ordered a major inquiry into the causes of the syndrome.

The Independent has learned that health officials are increasingly worried about the number of people who attribute their psychological and physical symptoms to exposure to everyday chemicals.

The decision is also a breakthrough for sick Gulf veterans with symptoms similar to MCS, but whose condition the Ministry of Defence does not recognise.

The inquiry, which will be conducted by scientists at the independent Institute of Occupational Medicine in Edinburgh, will take at least six months.

Their first task will be to establish what MCS is. The condition, also known as Chronic Fatigue Syndrome and Total Allergy Syndrome, is characterised by memory loss, fatigue, depression, nausea and breathing difficulties.

Victims usually report that they were exposed to one chemical and then reacted to contact with even the smallest amounts of other chemicals, often found in everyday products. The HSE has meetings with anti-pesticide campaigners, many of whom suffer from MCS.

Emily Chapman set up the Pesticide Exposure Group of Sufferers (PEGS) in 1988. It now has 8,000 members. She said MCS sufferers were forced to avoid trains because of diesel

fumes, roads because of exhaust fumes and even gas appliances.

"A lot of people give up a real life because it becomes too difficult to walk a tightrope all the time."

Mrs Chapman set up PEGS after she suffered a serious allergic reaction to pesticides which were inadvertently sprayed on her farm from the

air. She now has extreme reactions to other chemicals and has only 5 per cent muscle power in her left side.

Mrs Chapman, 68, also has defective liver, heart and lungs and has been hospitalised 12 times after accidental exposure to other chemicals. "I have to live a very careful lifestyle."

She cannot eat carrots or lettuce for fear they have been sprayed with organophosphate pesticides and she tries to live off organic vegetables.

Margaret Reichlin, a former headmistress at Burlington Danes school, in London, was reduced to living in a shed following an extreme allergic reaction to chemicals used to treat woodworm in her Hampshire cottage.

The exposure left her with a lasting reaction to even small amounts of phenols and chlorines, both of which are extremely common. She is afraid even to drink tea, because it contains a natural phenol. She has moved back into her home after spending £26,000 to remove all trace of the chemicals.

"It changes your life," she said. "All the things that other people take for granted, you cannot use: household cleaners, make-ups, paints."

Trying to win compensation for the victims has been difficult. Alan Care, a lawyer with the London law firm Leigh, Day & Co, said a claim could only be successful if the victim could

identify the initial chemical exposure and prove negligence.

"You cannot sue the whole world's industries," he said. "This is a genuine problem that clients have, but they have got to be able to identify the initiating event."

MCS victims have been compared to canaries sent down mineshafts to test for poison gases, he said. "These people are like the canaries testing the pollutants in the atmosphere for the rest of us."

Treatment of MCS also presents problems, though several people claim to have held their condition in check by using complementary medicine.

Dr Julian Jessel-Kenyon, of the Centre for the Study of Complementary Medicine, in Southampton, said he gave them intravenous minerals and vitamins and asked them to fast, or follow an organic diet, in order to rid the body of toxins.



Staying alive: Gillian McCarthy in the tent she has been forced to make her home, owing to an extreme allergy to chemicals

Photograph: Tim Cuff/Ape

## Medicine users warned grapefruit juice can kill

Health officials have issued a warning to doctors, dentists and chemists that drinking grapefruit juice could be dangerous for millions of people taking a wide range of common medicines, writes Ian Barrell.

The warning, by the Medicines Control Agency, follows scientific research which has revealed that people taking drugs for high blood pressure, heart

complaints or allergies are at risk of overdosing. The MCA says that because the juice contains psoralen, a compound also found in celery leaves, it reacts with the drugs to increase their concentration. The consequences are potentially lethal.

The warning identifies dangers with a series of drugs which are common in many households. They include the

anti-histamine terfenadine, which is sold as Triludan, and the immuno-suppressant cyclosporin, which is used by transplant patients.

Also on the list are calcium channel blockers (other than amlodipine and diltiazem) which are used to treat blood pressure and angina. More than 20 million prescriptions of these CCBs, which include the pop-

ular Adalat, are issued a year. The MCA has issued the warning through its Committee on the Safety of Medicines.

In the latest "Current Problems in Pharmacovigilance" briefing, the MCA warns: "Because of the potential for interactions, it is advisable for patients to avoid drinking grapefruit juice when taking the drugs indicated."

It appears that eating grapefruit poses no risk and there are believed to be no dangers from orange juice.

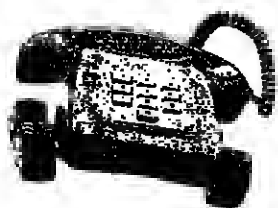
Research in the United States last August showed a glass of grapefruit juice could trigger an overdose. Drug firms are aware of the problems. Bayer, which makes Adalat, one of the highest-selling CCBs, has issued warnings to patients.

Christopher Burton, chairman of the British Fruit Juice Importers Association, said there was no need for grapefruit juice cartons to carry health warnings. "It is up to the medicine manufacturers to say 'be cautious', because everybody drinks grapefruit juice and only a small number of people use the medicines where this problem arises," he said.

Dr Julian Jessel-Kenyon, of the Centre for the Study of Complementary Medicine, in Southampton, said he gave them intravenous minerals and vitamins and asked them to fast, or follow an organic diet, in order to rid the body of toxins.



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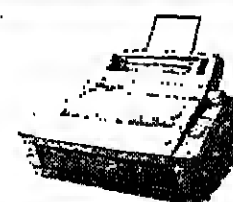
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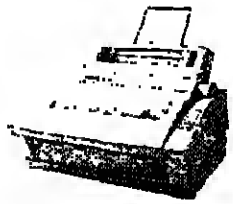
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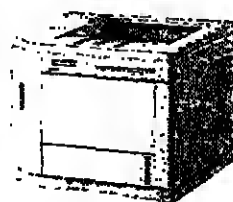
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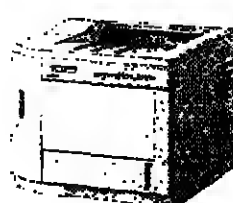
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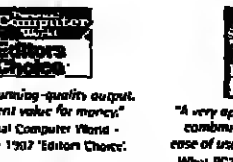
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## THE DRIVE OF YOUR LIFE

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# politics

The right honourable gentleman," the Prime Minister said, referring to the Leader of the Labour Party in his most exasperated tones, "has been in Opposition so long that he doesn't understand." Behind him his colleagues – who have been in power for a very long time and who understand all too well – nodded in sage agreement.

The particular things that Mr Blair didn't understand were how a major warning on the dangers of *E. coli* contamination at abattoirs, failed to be transmitted to ministers and how an important report was altered to make criticism of food hygiene less strident. Professor Sir Hugh Pennington, the head of the group set up to investigate the Scottish *E. coli* outbreak, had earlier failed to understand these points as well.

Mr Major told the House: "Ministers didn't see the document, it is true: it was a working document." His colleagues, he implied, only see idle, good-for-nothing documents, documents that spend all their time at night-clubs or drinking in filing cabinets.

There are huge numbers of working documents of this sort every year. If they all came to ministers for them to read, nothing else would be done at all."

As for Mr Blair's other points, they'd all be dealt with in the statement to be made to the House later by Douglas Hogg, Secretary of State, so would he be left to wait, like a good leader of the Opposition?

Mr Blair didn't wait, nor did the PM. As soon as Mr Hogg was called to speak, both of them made for the exit with a celerity that used to mark the

## DAVID Aaronovitch Deluded Tories prove they have totally lost the plot

playing of the national anthem at the Holloway Odeon.

Such dispatch was unnecessary, for Mr Hogg did not exactly leap to his feet. Indeed, he could not, his right foot being swathed in a large white bandage. During the weekend, Mr Hogg had tripped, and fallen down the stairs –



leaving the Agriculture Secretary barely a leg to stand on.

But a man who has fallen down the stairs at Hogg Towers and survived is not easily depressed. What to others might have seemed unpromising the most ground to defend was an impenetrable fortification, with

every tiniest natural feature pressed into service.

The report had not been doctored to suppress criticism of hygiene standards. It was simply that "the first draft was regarded as rather unsatisfactory, and not fully reflecting the views of others who had taken part in the review". Why? But Mr Hogg had moved on.

Far from no-one knowing about the report's original contents, "the fact of the review was explicitly referred to on page 18 of the Annual Report on the Meat Hygiene Service's first year of operations, which was presented to Parliament on 17 July 1996 and placed in the Library of this House".

The "explicitly" is a gem, for surely no-one could be expected to infer from

an obscure mention of "the fact of the review", what the now altered report had originally said?

But Mr Hogg had moved on again, toes wiggling. "Standards are constantly improving," he averred, "and are substantially better now. This is a tribute to the Meat Hygiene Service, and to the Government for insisting on its creation".

So there we had it, the staggering truth. What had begun the day as an embarrassing revelation of extreme unhappiness with measures to combat *E. coli* was ending with it being touted as proof of an unalloyed government triumph.

After such a performance it was hard to disagree with the Prime Minister's sentiments: Labour has indeed been out of power too long.

## New poll puts Labour in 21 point lead

John Rentoul

Labour has a solid 21-point lead in the first of a new series of Harris polls for *The Independent*. Our survey, which will be published fortnightly in the run-up to the general election in eight weeks' time, suggests that Conservative supporters are more likely than Labour voters to change their mind.

The adjusted figures in our poll put Labour on 53 per cent, the Tories on 32 per cent and the Liberal Democrats on 10 per cent.

Our findings come on the same day as a Gallup poll for today's *Daily Telegraph* showing a dramatic widening in Labour's lead from 15 to 26 points, which is unlikely to reflect a real movement of opinion.

However, there is certainly no sign of Labour's lead weakening in the wake of last week's victory in the Wirral South by-election.

In our survey, 62 per cent of Labour voters say they will "certainly" vote Labour, while only 50 per cent of those who intend to vote Tory say they will certainly do so.

Conversely, 17 per cent of Tory voters admit that they might change their mind about how to vote, against only 12 per cent of Labour voters. The find-

ings scotch the theory that the Labour vote is soft.

Of those currently intending to vote Labour, 12 per cent say they voted Tory in 1992 and 6 per cent say they have switched from the Liberal Democrats.

On the other hand, the finding may reflect the well-established reluctance of Tory

Poll results	
Voting intentions:	
Labour	53%
Con	32%
Lib Dem	10%
Other	5%

Sample: 1,009 Fieldwork: 28 February – 3 March *Independent/Harris poll*

supporters to identify themselves – a bias which contributed to the failure of opinion polls at the last election.

Like the other polling companies, Harris has adjusted its "raw" figures by reallocating don't-knows and people who refuse to say how they intend to vote, to the party they say they voted for in 1992. This has the effect of cutting Labour's share of the vote by two points and adding two points to the Tory vote.

Our poll's findings are in the same range as those of the other main polling companies – the average Labour lead is currently 18 points. One of the main differences is that it gives the lowest figure for Paddy Ashdown's Liberal Democrats – who according to ICM are running at 16 per cent, not much lower than their 18 per cent share of the vote in the 1992 election.

The figures for how people say they voted in 1992 are also a useful cross-check on the broad reliability of the poll, and they show a Tory lead of one point, as against the actual 7.5-point margin of John Major's victory. This is about what would be expected, given that people tend to "mis-remember" voting for the party they support now.

Our poll also asked a series of questions about people's attitudes to the possibility of cloning human beings. Detailed analysis of the figures reveals that older people and women are markedly more hostile to the idea. Of women, 78 per cent thought human cloning should never be allowed and all research into it stopped, against 66 per cent of men; and 50 per cent of over-55s were totally opposed, against 66 per cent of under-35s.



Edwina Currie: 'There are dozens and dozens of reasons to be in the EU'

## Brussels funds campaign to combat sceptics

Fran Abrams and Sarah Helm

A Pro-European alliance of politicians and businessmen is to use public funding to campaign against the growing Euro-sceptic tendency in Britain.

The European Movement plans to post its own tabloid newspaper to a million homes, many in areas where the Referendum Party is running candidates in the general election.

The group plans to spend £250,000 on its campaign, £150,000 of which will be provided by the European Commission. The group's leaders said Sir James Goldsmith's Referendum Party was spending £2m on its campaign, which is posting an anti-European paper to every home in Britain. Yesterday Edwina Currie, vice-chair of the European Movement, said it was important to make sure people were aware of the benefits of being in Europe.

"There are dozens and dozens of good reasons for us being in the EU. In other countries the governments are doing this. If our government won't do it, we will do it," she said.

The group, which is supported by the Conservative European Commissioner, Sir Leon Brittan, and by MPs from all parties, has said it will not send out its newspaper during the election campaign but will do so beforehand or afterwards.

The paper, *Europe 97*, is meant to counter the growing feeling on the political right that

Britain should pull out of Europe altogether.

The campaign has received the backing of industrialists and of trades unionists. At its launch, the general secretary of the Amalgamated Engineering and Electrical Union, Ken Jackson, said withdrawal from Europe would cost the jobs of many of his members.

"Thousands of them work for inward investors – companies who have set up shop here to gain access to the European single market. The vast majority of Britain's trade is with Europe, and that is linked to millions of jobs here in the UK," he said.

Sir Leon used yesterday's launch to attack Euro-sceptics in his own party, who he accused of diverting attention from the real issues. "We do not have a healthy debate in the UK at the moment. Europe has become an issue against which to vent prejudices and grudges rather than a subject of civilised debate. The British people deserve better," he said.

Robin Cook, Labour's foreign affairs spokesman, brought a positive European message to Brussels yesterday, saying Labour would play a leading role in the European "team".

However, Mr Cook confirmed the present government's policy of demanding an "opt out" from plans to end European frontier controls and cede more powers to Brussels over immigration and asylum.

Leading article, page 17



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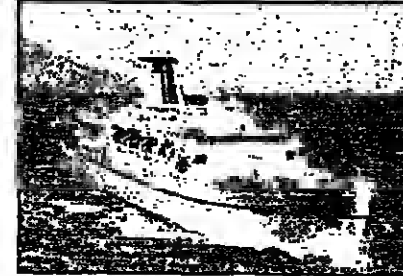
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# Parties blame each other for council tax bills

Christian Wolmar  
Westminster Correspondent

Householders will have to pay an average 6 to 7 per cent increase on their council tax bills this year, according to a survey published yesterday.

The increased bills sparked an immediate row, with Labour claiming that the increases were a result of cuts in government grants, while the Tories blamed profligate Labour-controlled councils. In Scotland, where local authorities have been hit particularly hard by reduced grants, council workers walked out on strike in protest against sharp increases in council tax levels and reductions in services.

With the vast number of authorities now in Labour or Liberal Democrat control, and the Tories only controlling 14 councils, it is difficult to make the usual political comparisons. However, the Chartered Institute of Public Finance and Accountancy report survey was published the day after Labour-controlled Liverpool City Council set a tax Band D rate of £1,110, the highest in the country. Tory-run Westminster City

Council has set a rate of £304 for the same band. There are wide variations in rises across the country, with Labour-controlled Wolverhampton showing the highest rise, with an increase of 20 per cent.

The Cifa report shows that the bill for an average B and D home goes up to just under £990 in England. In Wales, the rise is slightly higher, with a 7.2 per cent increase, making the average bill £494. In Scotland, average tax rises of 13 per cent are expected across the country's 32 councils.

Conservative Party vice-Chairman Eric Pickles told the *Today* programme yesterday: "What it shows is that Labour is very expensive. They don't collect council taxes and they charge a lot for not receiving terribly good services."

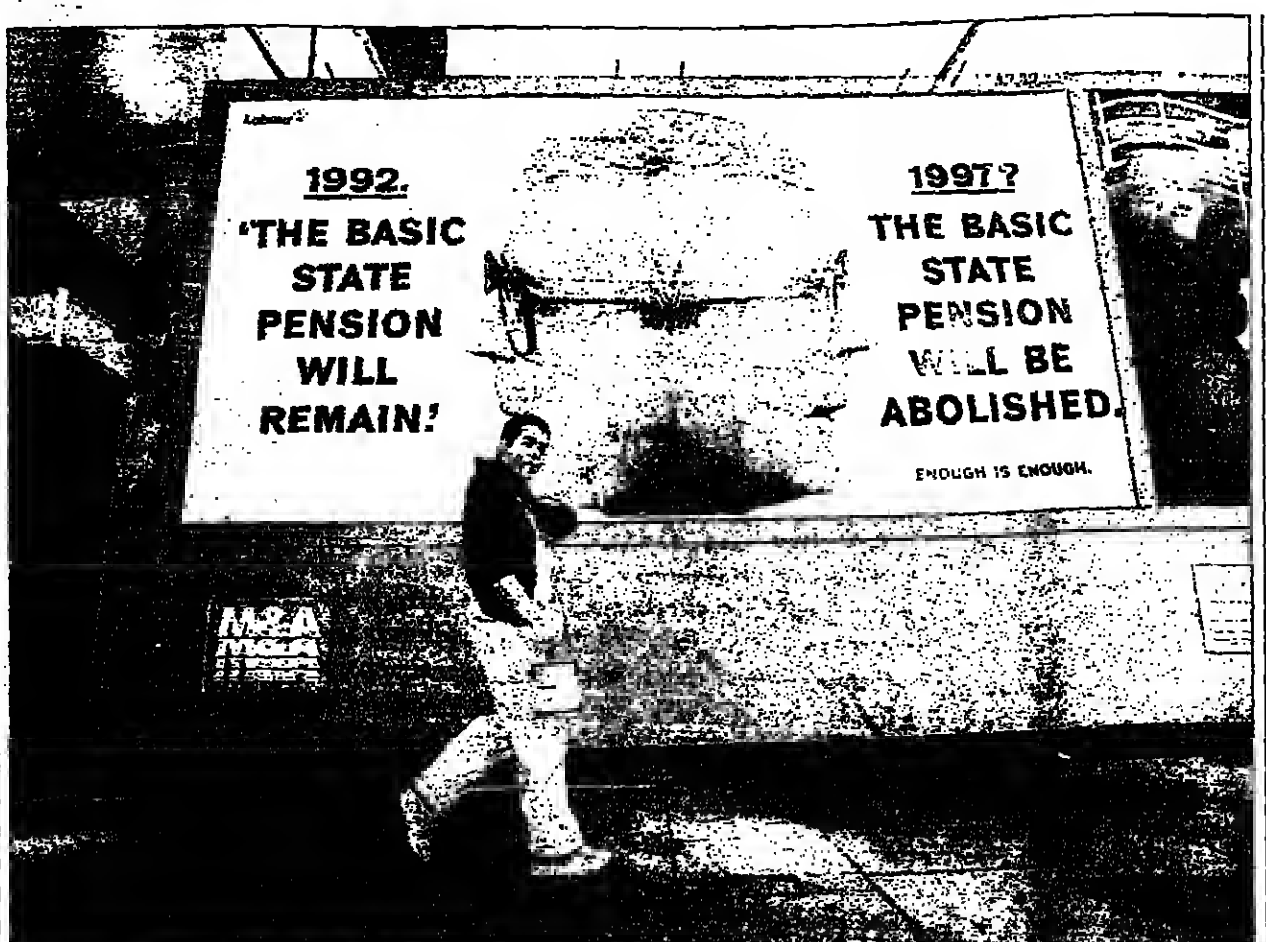
But Frank Dobson, Labour spokesman on the environment said the Government had reduced its grant by £4bn over the next three years.

Mr Dobson pointed to a statement in the House by David Curry, the local government minister, who said last December that "the Government

has reduced income tax, council taxes will rise somewhat..." He said: "The thing we have to recognise about these council tax increases is that they are exactly the ones the Government planned and announced on Budget Day."

Liberal Democrats, who control four times as many councils as the Tories, say the increases come as no surprise.

In Scotland, meanwhile, 20,000 council workers staged a one-day walkout as councils met to fix budgets for next year. The strike by members of the Unison union affected councils in Edinburgh, Glasgow and Midlothian. The union claims 10,000 jobs are threatened by council cutbacks which will involve drastic cuts in services.



Sign of times: Labour's poster highlighting the threat to the basic state pension posed by Tory plans. Photograph: Adrian Dennis

## Labour to demand audits of crimes

Crime-cutting targets would be set in every area of the country under a Labour government, Jack Straw, the party's home affairs spokesman, announced yesterday, writes Fran Abrams.

Mr Straw said police and local authorities would be forced to set the targets, which would be costed and published along with their success rates.

In a speech to a Local Government Association conference on crime, he said each area would have a statutory duty to develop a community safety plan highlighting the types of crime which needed tackling locally. Labour would also demand "crime audits" to provide details of local crime problems, "multi-agency neighbourhood nuisance teams" to tackle problems and new powers to tackle the problem of children under 10 on the streets. Community safety orders would give police and local authorities powers to tackle anti-social neighbours.

### PRIME MINISTER'S QUESTIONS

**SCORING THE EXCHANGES**

**7/10** Major's speech yesterday on one hand, and Blair's attack on the other, were both well handled. Major's speech was well structured and Blair's attack was well timed.

**2/10** Major's speech was well handled, but Blair's attack was not. Blair's attack was not well timed and Major's speech was not well structured.

**BLAIR'S ATTACK**

Blair's attack on the Prime Minister's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**THEMES OF THE DAY**

Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**GOOD DAY**

Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**BAD DAY**

Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**THE UNANSWERED QUESTION**

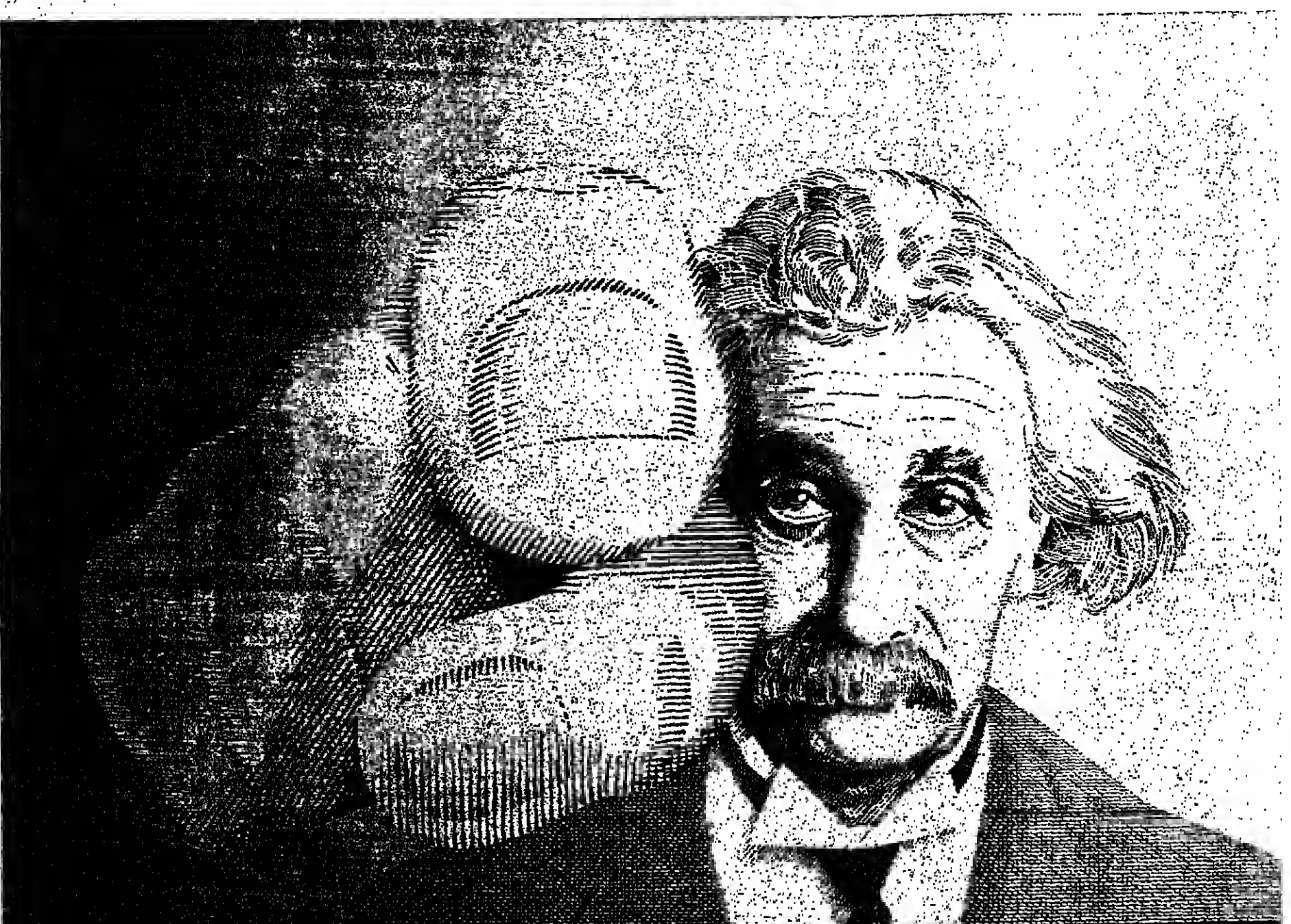
Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**THE QUIP OF THE DAY**

Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.

**THE CREEP OF THE DAY**

Major's speech was well handled. Blair's attack was well timed and Major's speech was well structured.



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## news

# Parents urged to be wary of league tables

Lucy Ward  
Education Correspondent

Parents are today receiving written "health warnings" from schools urging them to treat primary league tables published for the first time next week with extreme caution.

Headteachers have told parents that the tables, containing school-by-school results of tests taken by 11-year-olds last summer, are "misleading".

Among the details parents are being asked to take into account are absences of children, maths and science tests, but whose marks count as zero when the tables are calculated.

Heads have sent the letters on the advice of the National Association of Head Teachers (NAHT), which last January lost a High Court challenge to aspects of the league tables.

Their action is the second

attack on the tables in a week. On Wednesday, another teaching union, the Association of Teachers and Lecturers, published research which suggested almost a quarter of children had been given the wrong grade in English.

Gillian Shepherd, Secretary of State for Education and Employment, yesterday denied the tables were misleading. Both unions were "seeking to discredit the biggest information

exercise of its kind for parents and the wider public ever undertaken", she said.

Mrs Shephard pointed out that Nigel de Gruchy, general secretary of the National Association of Schoolmasters' Union of Women Teachers, had blamed attacks on the system on a "tiny clique".

The tables are being published on Tuesday only after a about-turn a year ago by Mrs Shephard. She originally had

said she would wait a further year until the tests for 11-year-olds had "bedded down".

Although the Department of Education and Employment will publish the data in alphabetical order, it will be turned into tables by newspapers.

NAHT general secretary David Hart yesterday said the union wanted parents to have a letter from school putting the league tables in context before publication day.

An absence of only four children from a group of 17 in one primary eligible to take the tests had meant a distortion of almost 25 per cent, making the school's performance appear far worse than it was, he said.

The NAHT is concerned that by dropping only a few extra marks, pupils can slip from level four, which is the standard fixed by the Government as appropriate for 11-year-olds, to level three, making it appear

they are up to two years behind. Schools also object to the fact that no account is taken in the tables of the number of children with special educational needs who take the tests and may achieve lower scores than their classmates, dragging down their school's league table placing.

Mr Hart denied his union was using "spoiling tactics" in advance of the tables' publication. He said: "There is an obligation on the Government to make

sure the only thing they publish is accurate and fair. We contend that it will not be accurate, it will not be fair and it will substantially depress results in a number of schools."

The NAHT was not against testing but opposed league tables in the present form, he added. Mr Hart said whoever became Secretary of State for Education after the election ought to examine different ways to represent children's performance.

## Tube line faces 12-month delay

Randeep Ramesh  
Transport Correspondent

The Jubilee Line extension, the £2.6bn rail project which will link Westminster to east London and introduce a host of new stations in the capital, will be delayed by up to 12 months, it has been confirmed.

The announcement of a delay has been widely anticipated since a tunnel collapse in 1994 stopped work for six months, although London Transport had until this week insisted that the JLE would open on time in March next year.

The delay also saw a simmering feud between London Transport and the Government over the funding of the Tube, break out into the open. The Department of Transport's spin doctors had suggested in media briefings that spending on the extension was out of control, and suggested that this fact had contributed to the Government's decision to privatise the Tube.

However, in a meeting on Tuesday described as "frosty", civil servants admitted to London Underground bosses that the DoT briefings had been "poorly drafted".

The Government and LT disagreed on the actual length of the de-

lay to the service. Peter Ford, LT's chairman, had intended to announce a six-month delay this week, but Sir George Young, the Secretary of State for Transport, intervened when his advisers said a longer delay might occur.

The extension includes a new station at the site of the planned Millennium celebrations in Greenwich and a substantial delay will prove a headache for the next government.

Born in 1989 of Margaret Thatcher's plans for Docklands regeneration, the JLE was designed to carry stockbrokers from Waterloo station to the gleaming towers of Canary Wharf on the Isle of Dogs. Work only started on the project in 1993.

The 11-mile-long extension has already seen its funding increase from £1.9bn to £2.5bn. But the delays have been caused by a range of unrelated problems including the complexity of building a new station under the Houses of Parliament. Trains running under the Palace of Westminster are subject to strict speed limits to prevent vibration.

The extra cost, expected to top £280m, will be shouldered by London Transport - which has just seen ministers cut its grant by £430m for the next three years.



Late arrival: LT has had to find an extra £280m to fund the Jubilee Line extension, seen here looking west toward the City

Photograph: Ailsa MacDonald

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## Lawyers say nanny charge is too harsh

Louise Jury

Lawyers for the British nanny Louise Woodward said yesterday that a United States grand jury decision to charge her with the first-degree murder of a baby was hasty and wrong.

The firm of Silverglate and Good said: "A slower, more deliberative and ultimately fairer investigation would not have resulted in this indictment." Several legal experts said it was unusual and manslaughter was a more likely charge in such cases.

Ms Woodward, 19, was arrested in the United States last month after nine-month-old Matthew Eappen died from a brain haemorrhage. Doctors said the baby's injuries were consistent with him being shaken so hard that his brain had smashed repeatedly against the inside of his skull. A post-mortem examination showed he had suffered a fractured skull, caused by a "blunt trauma wound" consistent with being thrown against a wall.

Ms Woodward, who had been working for the baby's family in Newton near Boston, Massachusetts, after taking her A-levels, was arrested and held in custody. The decision to charge her with murder was made by 22 grand jury members on Wednesday.

Several legal experts said yesterday that the first-degree murder charge, which carries an automatic penalty of life in prison without possibility of parole if convicted, was uncommon.



Louise Woodward: Facing first-degree murder charge

Joseph Balliro, a prominent criminal defence lawyer in Boston, said: "First-degree murder requires premeditation and malice aforethought. In other words, the District Attorney is going to have to persuade a jury that this girl intended to kill this kid."

Stephen Lyons, another Boston lawyer, said the massive amount of publicity the case had generated both in the US and Europe may have contributed to the decision. "The intense publicity has put a great deal of pressure on prosecutors to do what they think the public wants in this case," he said.

The baby's parents, Sunil Eappen, 30, an anaesthesiologist, and his wife, Deborah, 31, an ophthalmologist, have not commented on the case. But it has shocked American parents and raised questions about who

cares for their children. Like many of the other 12,000 au pairs in the US, Ms Woodward was looking after Matthew and his older brother, Brendan, before going to university.

Her mother, Sue, told ITN that her daughter had not abused the child. "She can think of nothing she did that day that would cause Matthew to have any sort of seizure at all. She took very good care of him and did everything she could to help him when he was in difficulties."

Her daughter was making the best of a bad situation, Mrs Woodward added. "She realises she has to go through this process in order to prove her innocence."

But critics claim the case highlights a problem with lack of training and screening for au pairs. The young women, who are typically in their teens or early 20s and have no qualifications, are often unprepared for the work of caring for children.

In at least two cases in the US, secret cameras set up by suspicious parents have shown nannies battering the babies they were supposed to be looking after. Spying on nannies has produced its own business - closed-circuit cameras are now available in teddy bears and huggable alarm sensors.

EF Au Pair of Cambridge helped place Ms Woodward with the Eappens. It has been paying for her defence. In a statement, the agency said: "We support Louise Woodward's right to a fair trial and hope that the truth will be uncovered and justice will be served."

### DAILY POEM

#### Prayer

By Elaine Feinstein

*The windows are black tonight. The lamp at my bedside peering with its yellow 40-watt light can hardly make out the chair. Nothing is stranger than the habit of prayer.*

*The face of God as seen on this planet is rarely gentle: the young gazelle is food for the predator; filmy shapes that need little more than carbon and water,*

*evolve like patterns on Dawkins' computer; the intricate miracles of eye and wing respond to the same logic. I accept the evidence.*

*But God is the wish to live. Everywhere, as carnivores lick their young with tenderness, in the human struggle nothing is stranger than the habit of prayer.*

"Prayer" is one of the poems that appears in *New Writing 6*, the latest annual anthology of verse, fiction and essays published by Vintage (£7.99) in association with the British Council. This volume is edited by A S Byatt and Peter Porter, and the other poets represented in it include Simon Armitage, Ruth Padel, Peter Redgrove, Lavinia Greenlaw and Michael Hofmann.

### Horse Guards turfs out civil servants' cars

Senior civil servants have been told that their privileged car-parking spaces on Horse Guards Parade in Whitehall have gone for good, writes Stephen Goodwin.

Except on state occasions, pedestrians will have free roam of the square, with its panoramic views of St James's Park and the back of Downing Street.

Ending car parking on the Parade was recommended by the Royal Parks Review Group in 1993. It said it was "quite unacceptable that so fine a space... should be used in this way".

In June 1994, *The Independent* revealed that the plan had been quashed by John Major and senior cabinet ministers because of pressure from Downing Street civil servants.

At the time, about 800 people were entitled to park on Horse Guards. The number has now been cut to about 250.



# Action urged to stop child sex industry

Glenda Cooper  
Social Affairs Correspondent

Adults in Britain are getting away with paying for and profiting from sex with children, the first national conference on child prostitution was told yesterday.

The Children's Society called for urgent action to tackle sexual exploitation, more commonly associated with countries such as Thailand or the Philippines, recommending a clampdown on adult offenders.

While no accurate figure exists on how many children are involved in prostitution, Home Office figures show that between 1989 and 1995, 2380 cautions were issued and 1730 convictions were secured against children and young people under the age of 18 for offences relating to soliciting.

Anecdotal evidence suggests that the age of children on the streets is going down, with the youngest ever child ever cau-

tioned for prostitution being only 10 years old. Between 1969 and 1993, four convictions were secured against 12-year-old girls and two against fourteen-year-old boys.

"We know from our work that these children have fallen through every safety net there is," said Ian Sparks, the Society's chief executive. "Many have been abused or neglected as young children and experienced disrupted and unsettled lives which leave them vulnerable to adults who target them for abuse."

"If there is one common denominator it is that these children and young people simply do not feel anyone cares about them. As a result they do not care about themselves."

Allan Levy, QC, author of the foreword of the charity's book *Child Prostitution in Britain*, told the conference: "The approach should be towards prevention. If that fails protection not prosecution should be the policy."

in view of a recent television play about an 11-year-old girl, her incantation '£50 for a blow job; £25 for a hand job' should be ringing in our ears and featuring in our nightmares."

The Society called on the police and the Crown Prosecution Service to prosecute adults who abuse or profit from the abuse of children. Local authorities should also provide services for children on the street and safe accommodation for young people should be increased.

The charity, which is the largest single provider of refuge projects for child runaways, caused outrage after producing leaflets, with a Malaysian beach-style sunset, asking: "Why travel six thousand miles to have sex with children when you can do the same thing in Bournemouth?" Similar leaflets named Manchester, Leeds, Birmingham and Wales. On Wednesday the charity promised to distribute no more in Bournemouth after complaints.



Expert panel: Peter Leach (left), the architect at Igham Mote, near Sevenoaks in Kent, and Robert Howard of Nottingham University preparing an oak panel from the chapel ceiling to test its age. The house is thought to have the oldest long gallery in England. Photograph: Peter Macdonald

## Haemophiliacs' choice depends on postcode

Glenda Cooper  
Social Affairs Correspondent

Treatment for haemophiliacs presently "depends upon the patient's postcode" and the Department of Health must take action to deal with this, experts warned yesterday.

In a letter to the *British Medical Journal* the UK Haemophilia Centre Directors Organisation (UKHCDO) urged the Government to ensure such patients are treated fairly and not "abrogate its responsibility".

At present some haemophiliacs are treated with recombinant Factor VIII, a purer, artificial form of the clotting agent, rather than the cheaper, plasma-derived version made from treated human blood which carries a higher risk of viral infection.

Doctors generally agree that recombinant Factor VIII is preferable on clinical grounds to plasma-derived Factor VIII for all haemophiliacs, but especially for children.

Last month four boys unsuccessfully took their local health authorities to the high court after they refused to fund the recombinant treatment.

Dr Christopher Ludlam, chairman of the UKHCDO, said that the group had advised that recombinant should be used, particularly for babies and children who were not infected with hepatitis C. But he added: "The implementation of the guideline recommendations... has been variable."

In the south of England, Scotland and Northern Ireland recombinant Factor VIII is becoming available for high priority patients. In the north of

England some directors of public health are willing to fund it, while neighbouring authorities are not. "Treatment choice depends on a patient's postcode. There are thus widely divergent arrangements for treatment with a drug that is perceived by physicians, patients and parents alike to be safer."

Dr Ludlam said that health authorities had frequently made funding decisions which were "arbitrary" and that the DoH had "not so far provided any evidence to UKHCDO to indicate rFVIII should not be the treatment of choice."

Calling for dialogue between the directors and government, he added that the department should provide leadership on how the guidelines should be implemented. "To leave the decision to the apparent vagaries of local purchasers is to abrogate its responsibility for an important aspect of health care."

A spokesman for the Haemophilia Society welcomed the letter and "fully supported the suggestion that dialogue should be established between UKHCDO and the Department of Health".

In the early 1980s 1,200 haemophiliacs were infected with HIV from contaminated plasma-derived Factor VIII. Around 3000 - out of a total of 5,000 haemophiliacs in the UK - have been infected with hepatitis C.

The UK's use of recombinant is between 4-10 per cent of all Factor VIII given. It can cost twice as much as the plasma-derived product, and if a health authority refuses to pay for it, a doctor has little choice but to prescribe the less safe product.

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## international

# Rebels try 'traitors' as Albania stumbles closer to civil war

Yannis Behrakis  
Reuters

Sarande — Heavily-armed rebels in this picturesque southern Albanian port prepared to send a secret police officer to a "people's court" in the town square yesterday as they fortified hilltop defences against a possible army attack.

Insurgents who seized control of the town in the anti-government riots at the weekend dug in on hilltops at the eastern entrance to the town. Rebel checkpoints were set up and barricades raised to defend Sarande against any attempt by regular army troops to crush the uprising.

Undeterred by a state of emergency, the insurgents hold sway in Sarande, the larger port of Vlora and several other points in the south.

Thousands of Sarande's inhabitants have joined the uprising against President Sali Berisha, seizing an array of weapons from state arsenals during the weekend rioting.

Hundreds of rebels paraded through the streets of another town, Tepelene, firing into the air with Kalashnikov rifles seized from an army barracks.

Wrecks of cars and army vehicles littered the city centre, and huge stocks of dynamite were piled in the barracks.

"We will not return our weapons until Berisha resigns," said one colonel. "The army in southern Albania has gone over to the side of the people. We took Kalashnikovs away from the children."

An Italian nun, speaking by

telephone yesterday to the Italian news agency, Ansa, from Vlora, said the army had cut off the town. A hospital had been looted during the night, and no medicines were left to treat the sick and wounded. "They have taken everything away, and we don't know how we are going to treat the burns and gunshot wounds."

Seven Albanian soldiers requested political asylum in Greece yesterday, the first to do so since Albanian rebels and the army clashed near the Greek border this week, a Greek defence ministry spokesman said.

The soldiers would be considered political refugees until the foreign and public order ministries decided whether to grant them asylum, spokesman Dimitris Katsoulis said. He had no details on the circumstances under which the soldiers turned themselves over. He said all of them had been on active duty inside Albania.

Sarande is in the south-west corner of Albania, just across from Corfu and north of the Greek border. For five days, locals have run riot, firing new Kalashnikov assault rifles in the air, driving a seized tank around the town and sporting headscarves and ghoulish masks to hide their faces.

Former army officers, siding with the rebels, have organised hundreds of gunmen into units, set up well-fortified defensive positions and established radio links with rebel strongholds in the nearby hills.

"We're telling everyone to uncover their faces. We're not criminals. We're freedom fight-



Total defiance: Albanians opposed to the government of Sali Berisha seem ready to resort to war to oust the president

Photograph: Eligio Paoni/Contrasto

## Berisha softens 'iron hand' stance and agrees to reopen talks

Andrew Gumbel

Albania's President Sali Berisha agreed with opposition parties yesterday that his armed forces would not try to seize rebel towns in the south by force, and said he would offer an amnesty to insurgents who surrendered weapons within two days.

A statement issued by the President and 10 parties after more than five hours of talks also said Mr Berisha would seek a political consensus on replacing the Prime Minister, Aleksande Meksi, who stepped down last weekend. Three days into a state of emergency sparked by an armed rebellion across the south of the country, Mr Berisha's resolve to use an

"iron hand" appeared to have been softened by the force of international condemnation of his repressive and dictatorial behaviour. His meeting with the opposition leaders came two days after he cut off all ties with them. He also eased the curfew in operation in Albania and the restrictions that had been imposed on foreign journalists.

A delegation from the Council of Europe began a two-day fact-finding mission yesterday, and the Dutch Foreign Minister, Hans Van Mierlo, was due to arrive in Tirana today to mediate in the crisis on behalf of the European Union. EU governments are pressing for the formation of a broad-based coalition which could

heal the rifts opened up by the conflict and wean Albania back towards democracy.

Mr Berisha also warmed slightly to the Organisation for Security and Co-operation in Europe, agreeing in principle to a visit by their freshly-appointed special envoy, Franz Vranitzky, although he did not agree to any specific date.

On Wednesday, Mr Berisha had ruled out an OSCE visit, even though Albania is a member. Relations between the organisation and the Albanian government have been at rock bottom since the OSCE reported widespread vote-rigging in last May's general elections, where Mr Berisha's Democratic Party claimed victory.

Sarande was mostly quiet yesterday, unlike previous days this week when bursts of automatic rifle fire have filled the air

as boys and men alike tried out their new weapons. But there was little spontaneous gunfire yesterday, and most people

were busy preparing for a possible assault. A tank was seized on Wednesday and paraded around town with a pack of gun-

men aboard, but yesterday it was set up behind a well-built defensive position to the east of Sarande.

A main bridge about 12 miles east of Sarande was bombed on Wednesday, limiting access to the coastal town from the army barracks to the north or from the Greek border to the south.

Four army tanks were parked on the main north-south road at the Muzine junction, which leads to Sarande, but soldiers let cars detour around the tanks without interference.

A deep crater was blasted in the roadbed on the bridge during the first clash between rebels and army troops in the area—by which side was not clear—and only cars can skirt around it. After the bridge, rebels control the area. Several miles down the Muzine road, well-armed gunmen stopped cars at rebel checkpoints. For the first time rebels searched cars before letting them pass. "We have a war on. What else can we do?" asked one gunman.

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## Virtual poo in the handbag becomes a fashion accessory that no girl can do without

TOKYO DAYS

The high-pitched electronic cheep can only mean one thing: Michiyo Takana's Tamagotchi have pooped in her handbag again. "If you don't clear it up, Ms Takana patiently explains, the number of poos increases. You can get up to eight poos, but if you just leave them there, it gets sick and dies."

She reaches into the bag and removes one of her pets. It resembles a flattened blue egg with a tiny grey screen and three buttons. Blinking from the display is a small round blob with a smiley face. Beside it, cunningly pillated in liquid crystal, is a steaming virtual turd. Michiyo Takana, who works in the office next to mine is 21, slim and fashionably dressed. But more desirable than her beauty, wardrobe, or youth—to a few million of her contemporaries, at least—are the two bleeping lumps of plastic she carries around with her.

**“You can get up to eight poos, but if you leave them there, it will die”**

Since its launch at the end of last year, the Tamagotchi electronic pet (the name translates as something like "Eggy") has become the most sought-after, and the most fought-over, object of Japanese desire. The first production run of 750,000 models, originally priced at yen 1,980 (£10.50), has long since been exhausted. Factories in Hong Kong and Singapore are working frenziedly to produce 4 million more by next month. The manufacturer, Bandai, plans to sell 13 million over the next year.

Black market Tamagotchi are changing hands at unbelievable prices. Ms Takana has been offered £250 for her blue-

and-pink model, and word is that the most popular white Tamagotchi is changing hands for almost £800.

Unquenched demand is creating a new breed of Tamagotchi criminal. While promoting recently in Shibuya, Tokyo's greatest teenage hang-out, a girl in school uniform attempted to snatch the toy from around Ms Takana's neck.

Last week a helicopter, several patrol cars, and a dozen police officers were involved in the pursuit of a gang of bandits who had made off with one of the virtual pets. The four delinquents turned out to be 14 years old.

The toy (full name: "Hyper Interactive Digital Pet Tamagotchi") has already spawned two how-to advice books on its rearing and nurture.

Each game begins with the appearance on screen of the Behitchi ("Babey"), the most primitive stage of the creature; the aim is to keep it alive for as long as possible, watching it grow through various stages of life right to maturity as an Oyajitchi ("Grampy").

The growing animal has various needs, of which defecation is only one. Interim beeps indicate that the pet needs to be fed, disciplined, or entertained. These are accomplished by means of the buttons and a series of symbols; when the Tamagotchi is ill (perhaps from being left for too long with a full nappylod) you treat him by moving a cursor and clicking on a tiny syringe.

The uniqueness of the game is the length of time over which it is played. The game beeps for attention a couple of times an hour, but it can be muted or put into hibernation when more pressing matters are at hand, and it sleeps for 12 hours a night. One day is the equivalent of one Tamagotchi year, and so the best brought up eggies are now several months old, but

they are frail and unpredictable creatures. Overfeeding can create a spoiled or delinquent egg, which will demand ever more attention; neglect, as with all pets, can be lethal. "The last time, it died when I was singing karaoke," says Miss Takana. "I couldn't hear it beep, and

we came out, paid the bill, and it was dead." [There can be no mistake when this sad moment arrives—a small digital grave-stone appears on the screen.] I was so shocked that I cried. I was genuinely upset and I decided that the next time it dies, it will be because of fate, or sickness, not because of my neglect.

Richard Lloyd Parry

## Make your Mother's Day

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# Robust Yeltsin must find cure for Russia's ills

Phil Reeves  
Moscow

Seven months later, Boris Yeltsin in effect began his second term of office yesterday with a televised speech to parliament in which he finally signalled that he is back on active duty as the president of an angry, disorientated, and often lawless nation.

Both his doctors and his Kremlin handlers breathed a sigh of relief after the Russian leader delivered a state-of-the-nation address which will have done much to convince the world that he has - at least, for now - overcome his ill health.

Last night, Russia was awaiting details of a government reshuffle, the second flourish in a comeback that was delayed first by his multiple bypass surgery, and then by an attack of double pneumonia that convinced much of the country's political elite that the Yeltsin era was drawing to a close.

But the 66-year-old president, officially inaugurated last August, demonstrated that those predictions may have been premature. His powers of survival - which helped him weather an armed conflict with parliament, the Chechen war, a near total collapse in his ratings, personal depression, and at least two heart attacks - have yet to be exhausted.

Although Mr Yeltsin seemed to flag slightly towards the end of the 25-minute speech, he spoke clearly and strongly and looked fitter than at any time since rocking and rolling at a pop concert on a whirlwind election campaign last summer, before disappearing from view in late June.

Since then, Mr Yeltsin's popularity has nosedived, driven downwards by public indignation over his broken election promises, unpaid wages and pensions, crime, corruption and general economic despair. A few Russians may have taken comfort yesterday in the knowledge that there is, at last, a working president in the Kremlin. But the content of his speech seems unlikely to have won him many new fans.

It was an unsuitable example of a Communist-era tradition in which the party leader publicly lambasted the *apparatchiki* on



Healthy state: Boris Yeltsin before his address began

behalf of the abused masses. For Mr Yeltsin, who frequently uses this technique, it was as if the government was not his responsibility.

In a sweeping and bleak indictment, he depicted a country that was stranded midway beneath the derelict Soviet system and a free market economy. He bemoaned Russia's falling production, lack of investment, unpaid wages and pensions, declining living standards, and "corruption at every

level of power". Plans for a nation-wide strike on 27 March had his sympathy. "This is an alarm. This is a sign that people are running out of patience." One of his only moments of optimism was a prediction that Russia would see 2 per cent growth this year.

But there was little new in his prescriptions for dealing with these dangerous ailments. These included a crackdown on corruption, tighter budgeting practices, a simplified tax code, and compliance with the widely ignored federal constitution. He talked of introducing "competent and vigorous people" into government, said he was soon planning to take fundamental decisions on the reform of armed forces, which were in an "extremely worrying" state.

His performance was, inevitably, rubbished by Gennady Zyuganov, leader of the Communists, who characterised his speech as "miserable, helpless buffoonery, without any real content". However, yesterday, it was not the president's words that mattered most.

The fact that he made the speech, in seemingly good health, meant that Mr Yeltsin could at last chalk up a triumph in a country which had begun to compare his rule with the *zastoi* - stagnation - of the Brezhnev era.

It was certainly a triumph for his handlers, who successfully attracted media attention away from the president's health by systematically leaking bits of his speech earlier this week. And it was a signal that he intends to compete his four-year-term, despite the menacing circling of pretenders to his throne.



Glory days: Celebrating Mass at the Gdansk shipyard during the 1980s protests. Now it is to close Photograph: Camera Press

## Solidarity's birthplace consigned to history

Adrian Bridge  
Central Europe Correspondent

The Gdansk shipyard, the birthplace of communist Eastern Europe's first independent trade union, yesterday fell victim to the very forces it helped to unleash when its last 3,800 employees were told they had been axed.

There was bitterness and regret at the news. "It took my breath away when we were told we had all been fired," said Roman Galczynski, who has been building ship hulls for 19 years at Gdansk.

The shipyard shot to prominence in 1980 when it succeeded in forcing the then-ruling Communists to recognise the Solidarity trade union under the leadership of Lech Walesa.

Paradoxically, the introduction of a free market in Poland signalled the death knell for the over-manned and uncompetitive Gdansk yard.

## Nato favours three for the club

Shortlist is narrowed down to Poland, Hungary and the Czech Republic, writes Christopher Bellamy

Nato is down to a shortlist of three likely new members - Poland, the Czech Republic and Hungary - although Slovenia is still a possible fourth, according to senior Nato sources.

They also said the shape of a Nato-Russia deal, and of the mechanisms for consultation between Nato and other East European states, is emerging fast.

The structure is expected to be three-legged: an Atlantic partnership for co-operation with the remaining non-Nato states in Eastern Europe after the first wave of enlargement; a Nato-Russia council; and, in an unexpected development, a forum for negotiations between Nato and Ukraine.

Of the likely new members, Poland, with 40 million people, is expected to be the fifth most important member of Nato after the United States, Germany, Britain and France.

All new members will have senior officers in key Nato appointments. But Poland's size and military tradition will make it a key player. Slovenia is still a possible new member the first time round. Sources said the real problems were over Nato states ratifying a possible fifth member, Romania.

The invitations to join will be issued at the Madrid Nato summit in July, and Nato hopes the first new members may be able to join in time for the Alliance's 50th anniversary summit in April 1999, though this is said to be "not a target or a deadline".

Officials rejected suggestions that a final decision would be

made at this month's Helsinki summit between Presidents Clinton and Yeltsin. There will be a North Atlantic Cooperation Council meeting in Portugal at the end of May.

The mechanics of enlargement are not the main problem. Nato now believes, "Russia handling" is one, and disputes between the Alliance are the other. "We are offering you (Russia) a very genuine and serious strategic partnership. Please make the most of it," one top Nato official said. "If they miss out on the next two years they miss out on a new culture".

He added that Russian misgivings about Nato enlargement had been acknowledged. "They see us [Nato] as a mirror-image of the Warsaw Pact. They think we're going to put in Poland the same infrastructure they put in East Germany".

However, Nato is adamant Russia will not be given a veto over decision-making and Nato will not promise Russia that certain countries will never be allowed to join. Nor will there be any pledge not to conduct Nato exercises in Eastern Europe, or to deploy Western troops in new member states.

Ukraine, a state of more than 50 million people, which gave up the nuclear weapons it inherited from the Soviet Union is "a very big subject", and Nato plans to treat it as a mini-version of Russia, with its own forum for liaison with Nato. "We are going through all the same issues in front of the Ukrainians as we are with the Russians", a Foreign Office official said.

The Alliance's biggest problem is internal. The French want a European to take charge of Nato's Southern European Command (Afsouth), based in

Naples, but the US and some other Nato countries have been adamant this should not happen because of the strategic importance of the Mediterranean.

However, there have been extensive changes in Afsouth since Nato moved into Bosnia in 1995. Instead of being a "US field command with the odd Italian". Nato officials said European Nato nations had moved into key positions in the command, particularly the British and Norwegians.

Nato planners have produced the first two plans based on scenarios for operations to be carried out by the Western European Union - the European group within Nato.

"It's the first step towards Nato doing the WEU's operational planning for it", a Nato source said.

It is envisaged that the Deputy Supreme Allied Commander Europe, usually a Briton and currently General Sir Jeremy Mackenzie, will take charge of WEU operations, using Nato troops.

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## international

# No hiding place for fraudsters as Europe moves to end tax havens and 'piracy'

Plan could recoup billions of unpaid duty, writes Sarah Helm in Brussels

Ideas for European fiscal citizenship which could lead to the eventual setting up of a European tax authority are to be canvassed next week at a high level meeting on tax reform in Brussels.

The idea envisages the gradual abolition of "resident" and "non-resident" tax status for European citizens, in order to create a single "European resident" status for taxpayers.

The plan, which exists in outline only, is initially intended as a way of stopping cross-border tax fraud. Citizens living in one member state would no longer be able to avoid tax by investing or placing savings in a "non-resident" in another member state. Instead, they would be taxed on all earnings as a European resident.

The idea, proposed by Belgium, and supported in principle by several member states, could recoup billions in unpaid tax, and could ease the operation of the single market. However, the implications of creating "European fiscal citizenship" are highly controversial.

European legislation would be necessary to set up the scheme, which would have to be administered by some form of tax authority. The idea could fuel fears that Europe is moving towards setting up a single European tax system.

A meeting of national tax advisers, under the chairmanship of Mario Monti, the single market commissioner, will discuss the plans on Tuesday, as part of a long term drive aimed at speeding the process of harmonising direct and indirect taxes across Europe.

Ideas are also being discussed for a code of conduct, setting minimum rates for corporation tax in order to stop member states indulging in unfair "tax competition" or "tax piracy" to seduce foreign investors. As a first stage a moratorium on setting



Open view: The Monti group will look at the abolition of European citizens' tax havens such as Luxembourg (above)

Photograph: Jim Selby/Rex

up so-called tax havens is being proposed.

Britain is opposed to any plans for tax harmonisation, arguing that such proposals would set Europe on a federal path. However, France and Germany, as well as other member states, recognise that national tax systems are becoming more and more incompatible with

the single European market, and could be incompatible with a single currency.

Furthermore, competing tax systems create unfair competition between member states, and allow for mass cross-border fraud which is deemed to be holding up growth and job creation in the run up to the single currency.

Billions of pounds in tax revenue is being lost because national tax regimes are competing unfairly and because national authorities cannot cope with mass movement of people across European borders.

Theo Waigel, the German finance minister, this week stepped up pressure for tax harmonisation, calling for a culture of fair tax competition to

be established among countries in Europe.

Meanwhile, voices on the left are increasingly concerned that uncontrolled competition between tax systems benefits wealthy Europeans and large companies, who are able to move capital and savings as they "shop around" for good deals. Ordinary Europeans, meanwhile, bear

the brunt of welfare and benefit cuts, which compensate for loss of revenue.

The initial round of proposals to be discussed by the Monti group highlights the need for harmonisation of corporation tax, tax on savings and VAT.

Meanwhile, Yves Thibault de Silguy, the economic commissioner, is arguing that a "flexibility" clause, to

6 Theo Waigel called for a culture of fair tax competition

be incorporated in the forthcoming Amsterdam treaty, should be broad enough to apply to monetary union. Mr de Silguy wants to ensure that countries which join the single currency should have the "flexibility" to opt for far wider tax and social security harmonisation in the future. Both France and Germany want such a flexibility clause in order to maintain the option for states inside the euro zone to forge deeper integration of economic policies.

All member states are increasingly accusing each other of "tax piracy" and turning a blind eye to tax fraud. As more Europeans move across borders, and more and more multi-nationals invest in member states, tax has become harder to police.

Germany is particularly worried about the vast sums invested by Germans in Luxembourg banks, which do not have a withholding tax, or a tax on interest on savings. Germany loses about \$12bn (£7.5bn) a year in this way.

Corporation tax competition is also likely to be tackled in the first round of harmonisation measures. Ireland and the Netherlands are deemed to be the prime offenders in this area, offering advantageous tax rates to lure foreign investors. Germany is monitoring unfair corporation tax offers in Belgium and Corsica.

Some in European finance ministries believe the entire task of tax harmonisation is too ambitious for the European Union to tackle alone. If loopholes are closed in Europe, tax dodgers will move their money outside the EU altogether—to Switzerland, for example.

Officials working on the plans say the answer to this problem is to involve the Organisation for Economic Co-operation and Development in parallel harmonisation projects and to work on bilateral arrangements between the EU and non-member states.

## OJ-style trial for Oklahoma bomb suspect

Tim Cornwell Denver

"There is no panic here," said Stephen Jones, leaning back on the other side of a vast leather-topped desk. "There's an ebb and flow. You take the Chinese view of history. This week, the press is bad for us, next week it could be good. We take our hits, they take their hits." The desk, like its master, is an import from the small wheat and cattle town of Enid, Oklahoma, where for 30 years Mr Jones practised law.

The fifty-something, bespectacled, self-avowed Anglophile claims his inspiration from great British lawyers such as Lord Evers.

From his new headquarters in central Denver, the veteran defence attorney heads a team of 14 lawyers acting for

Timothy McVeigh, who goes on trial next month for killing 168 people in the worst act of terrorism in US history. "I've been appointed by the court to defend somebody," promises Mr Jones, "and I am going to use every ethical means to do it."

Mr McVeigh's defence in the Oklahoma City bombing trial has had its share of small victories. Early on, Mr Jones asked for and got a change of venue to Denver, and then won separate trials for his client and the other accused, Terry Nichols. Recent newspaper accounts of mishandled evidence at the FBI's central crime laboratory promised fertile ground to attack forensic evidence, OJ-style. But the team encountered its biggest crisis this week. With the jury selection process just get-



Timothy McVeigh (left) with his attorney, Stephen Jones

ting under way in Denver, a Dallas newspaper printed excerpts from a defence memorandum, alleging that Mr McVeigh had made a detailed confession. Mr Jones' defence was to at-

tack, calling the story "an irresponsible hoax". Then he accused the Dallas Morning News reporter of electronic theft of defence files. Finally, he said the "confession" document had actually been concocted by defence investigators to persuade a hostile witness to talk, in what he called a "Mutt and Jeff" routine targeted at a notorious figure on the American far right. "We're not investigating a white collar crime with country-club types," he said, insisting that the Supreme Court had sanctioned such tactics.

The only corroboration for this bizarre tale came from a reporter for a rural Oklahoma newspaper, JD Cash, who has also written for far-right publications, said an investigator on the McVeigh team showed him the faked confession a year ago. But while the Texas paper stuck to its story, Mr Jones had thrown up enough dust to make potential jurors think again.

There are six legs of the government case against the former soldier and Gulf war veteran, Mr Jones said. Two are Mr McVeigh's arrest on the road from Oklahoma City on 19 April 1995, hours after the bombing, and his known right-wing views.

"I can't change the facts. Tim thinks what he thinks, and he was arrested where he was arrested," said Mr Jones. But of the rest, he said: "I challenge from A to Z and those four legs have gotten termies in them."

The defence will undoubtedly accuse Michael Fortier, who

allegedly plotted with Mr McVeigh and is the government's star witness, of changing his story to win himself a reduced sentence and immunity for his wife.

It has already dredged up criminal records and inconsistencies in eyewitnesses who claimed to see Mr McVeigh on the road to Oklahoma City. The defence could also be helped by reports that a government informant was inside Elohim City, the right-wing Christian compound in Oklahoma to which Mr McVeigh made two telephone calls that April. The woman, according to government sources, claimed two other men—one a German national with neo-Nazi links—had talked of bombing federal buildings.

Mr Jones is guarding his hand. He will not have to release his witness list until well into the expected six-month trial. But his chief tactic is not to point the finger at others, but to sow reasonable doubt—just as he was doing this week.

"The Dallas Morning News can go to hell," he said. "I am not going to win the battle with the press. If I win the battle of the courtroom, who cares about this? If I lose the battle of the courtroom, it's going to be because the jury said the evidence was convincing."

## Red Army looks back in anger from Lebanon

Robert Fisk Middle East Correspondent

It was a classic Lebanese solution. The Prosecutor General was pleased. Prime Minister Rafiq Hariri was satisfied. Syria was content—though officially insisting that it was all an internal Lebanese affair. Even the Japanese government was happy. Only the five alleged Japanese Red Army members—including their one-time leader Kozo Okimoto—have reason to look back in anger. Locked up and awaiting forgery charges, they watched three other Japanese released from custody—one of them a reported intelligence officer for the Japanese government who had given them all away.

Like all good Lebanese tales, this one leaves a lot of unanswered questions. Why, for example, did it take 19 days for the authorities in Beirut to admit that their State Security men had arrested the Red Army members—an operation carried out on 15 February? How come the interior and foreign ministers—not to mention Adnan Adoum, the Prosecutor General—

spent days denying any knowledge of the detained men?

Mr Okimoto was part of a pro-Palestinian Red Army hit team that slaughtered 20 pilgrims at Tel Aviv airport in 1972. Released by the Israelis in 1985—along with hundreds of other prisoners in exchange for a handful of Israeli soldiers—he disappeared in Lebanon, leaving the Japanese authorities furious at being unable to secure his extradition. Even now they may not get their men as quickly as they wish. If charged with forgery, the five could spend at least three years in a Lebanese prison.

The Syrians, officially refusing to involve themselves in Lebanese internal affairs, must, of course, have been well aware of the arrests; and Damascus may expect Japan's thanks. Lebanon may also expect some gratitude from Tokyo—perhaps in the way of reconstruction investment.

As for Mr Okimoto—along with Masao Adachi, Kazuo Tohira, Haruo Wako, and Masako Yamamoto (the only female detainee)—he must face a lengthy trial in Beirut.

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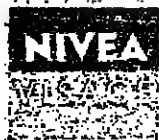
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Nuclear industry faces extinction as Social Democrats are forced to espouse the environmental cause, writes **Imre Karacs** in Bonn

"Gorleben has shown again that there is no majority in the Federal Republic in favour of nuclear energy." The consensus, Mr Müller added, is for "exit from nuclear power in the



With every mining job costing the taxpayer DM100,000 a year, it could be argued that without Gorleben 1,000 unemployed miners would still be working. But that arithmetic, balancing as it does two forms of energy that have become politically incorrect, never entered anybody's equation.

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## obituaries / gazette

## Cheddi Jagan

Cheddi Jagan was the last of a generation of pre-independence Caribbean leaders that includes Norman Manley, of Jamaica, Grantley Adams, of Barbados, Eric Williams, of Trinidad and Tobago, and L.F.S. Burnham, of Guyana.

He was born in 1918 at Port Mourant, a sugar plantation in the county of Berbice, in Guyana, or British Guiana, as it was then. British Guiana became independent in 1966 and changed its name to Guyana. He was a descendant of Indians who were brought, under a system of indenture, between 1838 and 1917, to work on sugar plantations in the Caribbean. It was his plantation upbringing that imbued in him a lifelong passion to free his people from the hardship and injustice of colonialism and oppression.

Despite hardship and poverty, Jagan's parents saved enough money to send him for studies in the United States, where he first entered

Howard University, an African-American school, and later the Dental School at Northwestern University in Chicago. During his years in the United States (1936 to 1943), Jagan did not only qualify as a dentist; he became exposed to a variety of revolutionary literature including Marx's *Das Kapital* and the writings of Jawaharlal Nehru and other Indian leaders who were in the final stages of their struggle to win independence for India. Perhaps the strongest influence on Jagan was that of Janet Rosenberg, a Jewish-American woman whom he later married.

His revolutionary readings and contacts that he made in the US, combined with his observation of inequalities in American society, particularly the plight of African-Americans, and the memories of his plantation upbringing to strengthen Jagan's passionate desire for freedom from colonial rule and oppression.

He returned to Guyana in December 1943 and immediately threw himself into the freedom struggle. He had little time for existing organisations such as the British Guiana East Indian Association (BGEIA) and the Manpower Citizens Association (MPCA) and in 1946 formed his own group, the Political Action Committee (PAC), along with his wife, and Jocelyn Hubbard and Asbion Chose.

In 1947 Jagan successfully ran for a seat in the Legislative Council which was then the ruling body in the country with a British Governor as chief executive. His advocacy of the working class in the Legislative Council remains a lasting mark of Jagan's commitment and courage in opposing all odds in his pursuit of freedom and democracy.

The bulletin produced by the PAC became *Thunder*, the newspaper of the People's Progressive Party (PPP), formed in

1950 under Jagan's leadership.

Meanwhile, as the movement for decolonisation gathered steam in Asia, Africa and the Caribbean, Guyana was given universal adult suffrage for the first time in elections in 1953. In these elections the PPP won 18 out of 24 seats, but after only 133 days, the PPP-led administration was dissolved by the British Governor Sir Alfred Savage, allegedly because of the Communist dictatorship under the PPP. Several PPP leaders including Jagan were jailed.

Between 1953 and 1957 Guyana was ruled by an interim government consisting of nominated members. During this period as well the PPP split when L.F.S. Burnham, the party chairman, led his supporters to form another party that was later called the People's National Congress (PNC).

This split is perhaps the most tragic event in Jagan's career and the modern history of Guyana, for it laid the basis of



Jagan: incorruptible

racial polarisation, by encouraging Afro-Guyanese to support the PNC and the Indo-Guyanese to support the PPP. At any rate, in new elections held in 1957 the PPP won, as it did again in 1961. But by this stage, in addition to the problems of racial division that he faced internally in Guyana, Jagan found himself denounced internationally as a Communist

agitor in cahoots with the Soviet Union.

After the decline of European empires after the Second World War, there emerged a Pax Americana in which the United States regarded itself as a defender of the "free world" against a Communist threat from the Soviet Union. Jagan was caught in the middle of this Cold War conflict, and it was largely due to American influence, fuelled by this tension that the British government changed the electoral system in Guyana to one of proportionate representation for new elections in 1964. Although Jagan's PPP won a majority of seats, two other parties, the PNC and the United Force (UF) were able to join forces and form a government.

Here came another lasting mark of Jagan's dedication: his resolute condemnation as Opposition leader during 28 years (1964-92), despite charges of fraud, corruption and rigged

elections against the ruling PNC.

Not until 1992, at the end of the Cold War, when the Soviet Union had fragmented, and American fears of Communism had disappeared, did Jagan's PPP, this time in coalition with a community group called CIVIC, at last have an opportunity to form the government of Guyana.

Jagan's contribution to his country, his region and politics of decolonisation is immeasurable. His commitment and energy could scarcely be believed. In addition to his political activism, he was the author of several books and countless pamphlets and speeches. His *The West on Trial* (1966) is largely autobiographical and is probably the best work of political autobiography by a Caribbean leader.

But when all is taken into account - his passionate championing of the underdog, his fearless opposition against all odds, and his superhuman en-

ergy - what Cheddi Jagan will most be remembered for is his incorruptible integrity. Never, in his half-century of involvement in politics, has anyone been able to point a finger at him, while charges of financial corruption, sexual misconduct or electoral fraudulence have been levelled at most of his contemporaries.

Frank Bishalsingh

**Cheddi Jagan, politician: born** Plantation Port Mourant, Berbice 22 March 1918; **Member of Legislative Council, British Guiana** 1947-53; **Leader of the House and Minister of Agriculture, Lands and Mines** May-October 1953; **Chief Minister and Minister of Trade and Industry** 1957-61; **Premier and Minister of Development and Planning** 1961-64; **Leader of the Opposition, National Assembly** 1964-92; **President, Co-operative Republic of Guyana** 1992-97; **married** 1943 Janet Rosenberg (one son, one daughter); **died** Washington DC 6 March 1997.

## Wing Cdr Douglas Blackwood

Douglas Blackwood was the last member of his family to edit the distinguished Edinburgh-based magazine which bore his name. A great-grandson of the William Blackwood who founded *Blackwood's Magazine* in 1817, he was editor between 1948 and 1976 and was chairman of the publishing house until 1983. He was also a naturally gifted fighter pilot who commanded 310 Czech fighter squadron during the Battle of Britain.

In many ways Blackwood was a reluctant publisher. His name and his family relationship meant that he had little option but to follow in his father's footsteps but he always looked back with affection and pride to the short service commission he had held in the RAF between 1932 and 1938. Had it not been for the outbreak of war he would have returned to Edinburgh to work for his father and uncle who between them ran the family firm.

Blackwood rejoined the RAF in 1939 and ended the Second World War commanding the Tactical Fighter Wing in the 2nd Tactical Air Force. He was decorated with the Czech War Cross and Czech Military Medal and it gave him considerable pleasure when he was presented with the Czech Medal of George of Podhrad in 1993.

At the height of the Battle of Britain Blackwood was on patrol over London after a German air-raid and remembered looking down from 25,000 feet to see the family firm's London office in Paternoster Row, beside St Paul's Cathedral, burning furiously. Millions of books were lost in the blaze. Although

he did not realise it at the time, the destruction of Blackwood's base in the capital marked the beginning of a protracted decline in the firm's fortunes. Due to wartime paper rationing the firm lost many of its leading authors and the size of type and number of pages had to be reduced in the magazine. To the Blackwoods the system was unfair: the amount of paper allotted to them was based on their 1939 output which happened to be the lowest in the firm's history.

When Blackwood left the RAF in 1945 his introduction to the business of publishing was something of a short sharp shock. Before the outbreak of war Blackwoods was one of Britain's leading literary publishers. George Eliot, John Buchan, E.M. Forster and Joseph Conrad appeared under their imprint and *Blackwood's Magazine* - known as "Maga" to its readers - was widely respected for its good taste and sound critical judgements. It soon became clear, though, that name and literary reputation counted for little in the post-war world. Suddenly Blackwoods had to compete with a growing number of mass-production rivals and with a declining interest in monthly literary magazines. One by one, rivals such as John Murray's *Cornhill* and *Chambers's Journal* fell by the wayside and it was something of a triumph that "Maga" remained in production until 1980.

Although Blackwood was a kindly man who wore his learning lightly he was shy and could appear aloof or remote. Despite a lifetime in the company of military men, he never courted literary



Blackwood: a reluctant publisher

Photograph: The Scotsman

or political society and was quick to puncture any literary pretension. When asked by a reviewer if he had known George Orwell at Eton - he was six years his junior - Blackwood retorted: "Oh, Blair, yes I remember him, he had a motor-bicycle."

By the beginning of the 1970s Blackwoods and its magazine had a somewhat dated air and

as a result it failed to attract a younger generation of writers and readers. Even its head office at 45 George Street, with its elegant oval saloon, was more redolent of the heady days of Walter Scott and James Hogg than of any contemporary literary vibrancy. Despite a number of design changes, "Maga" began losing readers

and Blackwood retired from the editorship in 1976. He was succeeded by his assistant David Fletcher, the first and last editor not to be a member of the family.

None the less, under Douglas Blackwood's control "Maga" remained a haven of good, if old-fashioned, literary style and its political column, "The Looker-On", offered trenchant commentary from right of centre. Amongst the writers he encouraged was Leslie Gardiner, a former naval officer, who travelled extensively in the remote parts of Eastern Europe. Nowadays his articles would be commonplace but at the height of the Cold War Gardiner was in a class of his own.

After Blackwood's retirement in 1976 he was succeeded by his son Michael, a former naval pilot, but by then the firm had amalgamated to concentrate on printing and one of the great names had disappeared from British publishing. In retirement Blackwood lived in the Scottish Borders, where he was able to indulge his love of field sports and country pursuits. His wife, Phyllis Calcutt, whom he married in 1936 and who survives him, was a noted equestrian rider and an expert exponent of dressage.

Trevor Royle

**George Douglas Blackwood, air force officer and publisher: born** 11 October 1909; **managing director, William Blackwood & Sons** 1948-76; **chairman** 1949-83; **Editor, Blackwood's Magazine** 1948-76; **married** 1936 Phyllis Calcutt (one son, one daughter); **died** Edinburgh 2 March 1997.

## Len Millard

Rarely can a nickname have been as unrepresentative of a man's character as that of the footballer Len Millard, a stalwart defender with West Bromwich Albion for a dozen seasons after the Second World War. He was a quiet unassuming fellow, renowned for his gentlemanly conduct and never booked in his 476 senior games for the club, yet he was dubbed "The Agitator".

The sobriquet was coined, perhaps in a spirit of irony, because the wingers who were confronted by the ultra-dependable

left-back tended to become agitated by his efficiency, which reduced them to marginal figures on the fringe of the action.

The prime example of the modest Millard's experience was his subbing of the great Tom Finney in the FA Cup Final of 1954. It should be stressed that "The Preston Plumber", who was the newly crowned Footballer of the Year and arguably the finest player of his generation, never became remotely agitated, which would have been alien to his own sporting nature.

But Finney was starved of the ball comprehensively by the steady Millard, who was man of the match by common consent and richly deserved the honour, as Alfie's captain that day, of lifting the famous trophy.

Indeed, but for a late run of defeats, due at least partially to an injury crisis, West Bromwich might have won the League Championship, too. Had they done so, Millard would have entered soccer legend as the man who skipped the first team - "it is century to capture the coveted

League and FA Cup double. As it was, they finished as runners-up and the amiable Millard remained an unobtrusive figure, little known outside the game.

Millard had signed for the Throshes as a teenage amateur in 1937, then played in wartime competitions as a centre-forward before converting to wing-half by the time hostilities ceased in 1945. During the subsequent decade he missed only a handful of matches and helped gain promotion from the Second Division in 1949, con-

tinuing to hold a regular place in the top flight until his 39th year.

In 1958 Millard moved to the non-League Stafford Rangers, whom he served as manager until 1961. After that he continued to stun the limelight, working in the West Midlands until his retirement in the early 1980s.

Ivan Pounting

**Leonard Millard, footballer: born** Coseley 7 March 1919; **played for** West Bromwich Albion 1937-58; **died** Coseley 2 March 1997.

## Margaret Johns

Margaret Johns was described as "the most beautiful film producer in the world". She is best known for her award-winning collaborations with her second husband, Ian Dawson Shepherd, the writer and founding father of the Spastics Society (now Scope).

Her early artistic life spanned the Ballet Rambert, theatre and television acting (she graduated a bronze medalist from RADA), even cabaret singing, before she found her true métier. But a brilliantly promising career as a producer could not survive the combined assault of international politics, illness, and a devastating car accident.

Johns was never conventional. She lied about her age to win a place at RADA. In those days, a 25-year-old mother would not even have been considered. She successfully posed as 18, abetted by her diminutive size, her extraordinarily youthful complexion which endured throughout her life and her (discreet) great acting talent. Her first husband, Peter Bartlett, and their daughter, Jennifer, stayed well away from the Academy.

After graduating, Margaret Johns (her stage name) tried her hand at theatre, television and radio, but later admitted to have hated every minute mainly because of the nervous strain of appearing in front of audiences. It never showed but on major occasions, such as her appearance under Lindsay Anderson's direction in *The Sea Hawk* at the Royal Court, would make her physically sick.

She was offered small parts in various films, and could always be found talking to the technicians, eager to discover the world on the other side of the camera. The passion grew and, as a paring gift, her by then estranged husband financed her first film, a short documentary shot in Battersea in 1955.

Many other shorts followed, with Johns travelling all over the world - the Philippines, Japan, Hong Kong, China and America. In 1959, she formed her own company, Liberties, becoming the first female independent film producer in the UK.

She was both intuitively commercial, and self-confident. She believed women mostly chose the films they and their men went to see, and therefore she was more likely than a man to know what the public wanted. She directed some of her own films, but



Johns: a daredevil

said she preferred producing, because it gave her overall control of the creative idea.

Her first success was *Jessy*, a moving film commissioned by the National Spastics Society about a child with cerebral palsy. It won four awards at the 1961 Boston Film Festival. Johns had the idea of making the whole film through the eyes of the child herself. She found it a battle, however, to secure any public showing for *Jessy*. "It was impossible to find a distributor," she observed. "They all said it wasn't entertainment."

Commissioning this film for the society was Ian Dawson Shepherd, who became Johns's business partner and collaborator (as writer) on many of her films, and also her husband and the father of her other two daughters.

Together, they went on to make *Every Eight Hours* (1961), presented by Richard Dimbleby and shown repeatedly on national television. Perhaps this film more than any other helped to enlighten the British public about cerebral palsy. Then came *Right for the Job* (1963), which brought to public attention the fact that, with appropriate training, people with cerebral palsy can do many kinds of valuable industrial work.

Working with Janet Lacey on *Every Eight Hours* also led to a commission from the World Council of Churches to make *The Tibetan Story* (1962), about the plight of the Tibetan people under Chinese rule. Johns was the first Western woman to meet the Dalai Lama, who had fled to India in 1959.

It was in 1962, only six years after the Suez crisis, that Johns began work on a series of three films, including her first major feature, for the Egyptian government. This was the beginning of the end of her company and

her career as a producer. After five years of work, for little or no payment, relations between the UK and the Egyptian government had deteriorated so badly that the project was cancelled. None of the three films was completed, and in 1967 Liberties went into liquidation with huge debts.

Margaret Johns was competitive, even a daredevil. She enjoyed driving fast cars and gambling, and riding was her favourite sport. She flew many thousands of miles, by helicopter with camera teams on location, sometimes filming in hazardous conditions. Once, while flying through a storm in Burma, the army transport plane in which she was travelling ran out of fuel, forcing the pilot to crash-land. It did not put her off flying in the slightest.

Films were not her life. Only weeks before Judith, her second daughter, was born, she was out on location in India. Similarly, Andraea, her youngest daughter, was born in the middle of negotiations for the Egyptian project. The two babies went to Egypt with her on location.

Who knows, then, how soon Johns would have bounced back from bankruptcy if she had not developed osteomyelitis, a rare disease of the bone marrow (typically affecting male children), which put her into hospital for nine months. Refusing to be permanently confined to a wheelchair, with painful effort she taught herself to walk again over the next 10 years. Finally mobile enough to get about on her own, in 1980 she was struck so violently by a car on a pedestrian crossing that every major bone in her body was broken. There would be no more films.

Whenever she was asked in the Sixties how it felt to be one of only three female UK film producers, Johns would claim that men like working for women. "I've never found any prejudice against me as a woman, certainly not among the technicians. Once you've had a successful film, you can work on equal terms."

Andy Knott

**Margaret Kathleen De Monte (Margaret Johns), film producer: born** Mumbai, India 2 August 1922; **married** 1943 Peter Bartlett (one daughter; marriage dissolved 1960); **1972 Ian Dawson Shepherd** (died 1966; two daughters); **died** Teddington, Middlesex 28 February 1997.

## Computer evidence not vitiated by faulty clock

## LAW REPORT

7 March 1997

**Director of Public Prosecutions v McKewen; DPP v Jones; House of Lords (Lord Goff of Chelvey, Lord Mustill, Lord Steyn, Lord Hoffmann, Lord Clyde) 20 February 1997**

A computer-generated statement was admissible in evidence under section 69(1) of the Police and Criminal Evidence Act 1984 notwithstanding that a part of the computer, in this case its clock, appeared to be malfunctioning, so long as there was positive evidence that the computer had properly processed, stored and reproduced the information contained in the statement.

The House of Lords allowed appeals by the Director of Public Prosecution against decisions of the Queen's Bench Divisional Court, on 27 May 1994, quashing convictions by the Widnes Justices of Sharon McKewen on 20 April 1993 and of Christopher Jones on 4 May 1993 for drink-driving offences.

Section 69 of the 1984 Act provided: (1) In any proceedings, a statement in a document produced by a computer shall not be admissible as evidence of any fact stated therein unless it is shown - (a) that all material times the computer was operating properly, or if not, that any respect in which it was not operat-

ing properly or was out of operation was not such as to affect the production of the document or the accuracy of its contents...

In July 1992 the computer clock in the Lion Intoximeter 3000 in use at Widnes Police Station was displaying a time about an hour and a quarter slow. In neither appeal was there any dispute about the correct time at which the Intoximeter was used. The Divisional Court nevertheless held that the inaccuracy of the clock reading invalidated the evidence on which both convictions were based.

Anthony Scriven QC and Steven Everett (Crown Prosecution Service) for the Crown; Michael Bell QC and Rens Calder (Byrne Frodsham & Co, Widnes) for Ms McKewen; Nigel J. Ley (Hyland & Beattie, Widnes) for Mr Jones.

Lord Hoffmann said that section 69 did not require the prosecution to show that the statement was likely to be true. Whether it was likely to be true or not was a question of weight for the justices or jury.

All that section 69 required as a condition of the admissi-

bility of a computer-generated statement was positive evidence that the computer had properly processed, stored and reproduced whatever information it received. It was concerned with the way in which the computer had dealt with the information to generate the statement which was being tendered as evidence of the fact which it stated.

The language of section 69(1) recognised that a computer might be malfunctioning in a way which was not relevant to the purpose of the exclusionary rule. It could not therefore be argued that any malfunction was sufficient to cast doubt upon the capacity of the computer to process information correctly.

What then was contemplated as a relevant and an irrelevant malfunction? There was only one possible answer. A malfunction was relevant if it affected the way in which the computer processed, stored or reproduced the information used to generate the statement tendered in evidence. Other malfunctions did not matter.

It followed that the words "not such as to affect the production of the document or the accuracy of its contents" had to be read subject to the overall qualification that the paragraph was referring to those aspects of the document or its contents which were material to the accuracy of the statement tendered in evidence.

The justices had a certificate signed by a police sergeant under paragraph 5 of Schedule 3 to the 1984 Act, stating that to the best of his knowledge and belief the requirements of section 69(1) had been complied with. In the absence of contrary evidence, they were entitled to accept that certificate as sufficient to satisfy section 69(1).

The question then was whether they were obliged to regard the inaccuracy of the clock display as contrary evidence. They also had evidence, which they were entitled to accept, that the clock display was not affecting the proper functioning of the computer in processing the information from the breath analyser. Having accepted that evidence, there was nothing to displace the effect of the certificate.

Paul Magrath, Barrister

**Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (births, marriages, deaths, memorial services, wedding anniversaries, in Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3DL, telephoned on 0171-293 2011 (34 lines), faxed on 0171-293 2012 or telexed on 0171-293 2010, and are charged at 25p a line (VAT extra). OTHER Gazette announcements (funerals, obituaries, forthcoming marriages) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a daytime telephone number.**

## Wills

Baroness Birk, of London W1, the journalist and politician, left estate valued at £709,477 net. Geoffrey Stephen Hamilton, of Exton, Rutland, the horticultural journalist and broadcaster, left estate valued at £683,485 net. Leslie Douglas Sargent Crowther, of Bath, Avon, the actor and comedian, left estate valued at £257,302 net. Walter Carstairs Steele, of Chesham, Essex, left estate valued at £1,184,394 net. He left £1,000 to Broomfield Hospital, Chelmsford.

## ROYAL ENGAGEMENTS

The Duke of York, Prince Andrew, the Duke of Gloucester and the Duke of Kent are to be married in 1997. The Duke of York is to marry Sarah Ferguson, the Duchess of York, in 1997. The Duke of Gloucester is to marry Lady Sarah Armstrong-Jones, the Countess of Armstrong-Jones, in 1997. The Duke of Kent is to marry Lady Louise Mountbatten-Windsor, the Duchess of Kent, in 1997.

**Changing of the Guard** The Household Cavalry Mounted Regiment presents the Queen's Life Guard at Horse Guards, 11am.

## Birthdays

Sir Robert Atkinson, former chairman, British Shipbuilders, 81; Mr William Boyd, author, 45; Mr William Brontë-Davison, Lord Lieutenant of Cheshire, 62; Mr Malcolm Chisholm MP, 48; Mr Gilbert Cooke, former chairman, C.T. Bowring & Co, 74; Mr Michael Finney, composer and pianist, 51; Mrs Deborah Forbes, Headmistress, Queen Anne's School, Chesham, 51; Sir Kenneth Greco, Vice-Chancellor, Manchester Metropolitan University, 65; Sir Anthony Hidden, High Court judge, 61; Mr John Horam MP, 58; Mr Dan Jackson, novelist, 68; Mr Nicholas Krieger, conductor, 52; Sir Anthony Lambert, former ambassador to Portugal, 86; Sir John Laidlaw, former High Court judge, 83; Mr Ivan Lendl, tennis player, 37; Sir Paul Nicholson, Lord-Lieutenant of Durham, 59; Lord Oliver of Aylmer, a former Lord Justice of Appeal in Ordinary, 76; Professor Sir Eduardo Paoletti, sculptor, 73; Professor Lord Phillips of Emswore, molecular biologist, 73; Mr Piers Paul Read, novelist and author, 56; Mr Viv Richards, cricketer, 45; Mr Mark Rowland, athlete, 34; The Earl of Snowdon, photographer, 67; Sir David Spedding, Chief of the Secret Intelligence Service, 54; Sir Randolph Twissell-Wychem-Fiennes, explorer, 53; Mr Richard Vernon, actor, 72; Miss Zena Walker, actress, 63; Dame Margaret Weston, former Director of the Science Museum, 71.

## Anniversaries

**Births:** Sir John Frederick William Herschel, astronomer, 1792; Sir Edwin Henry Landseer, painter, 1802;

Victor (Fitz-Marie) Massé, composer, 1832; Henry 'Jojo' Martin, painter, 1831; Piet Mondrian, abstract painter, 1872; Joseph-Maurice Ravel, composer, 1875; Deshafe St Thomas Aquinas, Christian philosopher, 1274; Francisco Barroet, engraver, 1815; Louis Boulanger, painter and lithographer, 1867; Herman J. Mankiewicz, screenwriter, 1933; Percy Wyndham Lewis, writer and artist, 1897. On this day, France declared war on Spain, 1799; the British and Foreign Bible Society was founded, 1804; Jenny Lin, the "Swedish Nightingale", made her debut, 1838; the first telephone was patented by Alexander Graham Bell, 1876; the first jazz record, "The Dixie Jazz Band One-step", went on sale in the United States, 1917; the transatlantic radio-telephone was established, 1926; in London, the Victoria Underground line was opened by the Queen, 1969; at Heathrow Airport, London, armed raiders stole £850,000 worth of diamonds and currency, 1977. Today is the Feast Day of St Ardo, St Draustius or Draustin, St Esternine, St Paul the Simple and St Theophylact.

## Lectures

**National Gallery:** Colin Wiggins, "Aspects 111: R. Galt, The Vision of Father Simon", 1pm. **Victoria and Albert Museum:** Susan Morris, "Torrington's Bust of Henry VII", 2.30pm. **Tate Gallery:** Jill Lloyd and John House, "Louis Comte: the late work", 1pm. **Graham College:** Barroet's Cilla Hall, London EC1; Professor Colin Pillinger, "Messages from the Deep", 1pm.

## Luncheons

**Ministry of Defence** Mr Michael Portillo MP, Secretary of State for Defence, was the host at a luncheon held yesterday in Admiralty House, London SW1, in honour of Mr Andrus Obr, Minister for Defence of the Republic of Estonia.

## Receptions

**HM Government** Mr Anthony Nelson MP, Minister for Trade, was the host at a reception held yesterday at Lancaster House, London SW1, to promote Anglo-Japanese co-operation worldwide.

## Dinners

**Navy Board** Admiral Sir Jack Souter, First Sea Lord, presided at the Lord Trenchard Dinner of the Navy Board held yesterday evening at Admiralty House, London SW1. Among those present were:

Sir Patrick Mayhew MP, Mr James Archibald MP, Mr Victor Bartham, Dr David Clark MP, Mr Alex Dornan, Sir Robert Fairclough, Mr Peter Gershon, Mr Peter Gwyn Jones, Mr Max Hastings, Lord Hope of Craighead.

**Synagogue services** Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 5.30pm.

**United Synagogue:** 0181-343 8998. **Federation of Synagogues:** 0181-382 2263. **Union of Liberal and Progressive Synagogues:** 0171-580 1663. **Reform Synagogue of Great Britain:** 0181-349 4731. **Spanish and Portuguese Jews Congregation:** 0171-289 2773. **New London Synagogue (Masorti):** 0171-328 1026.



# John Major's doctrine: evade and survive

Is our meat safe to eat? Let those who think politics does not matter address themselves to this question. Food hygiene regulations are a basic responsibility of the Government, and when they fail politicians must be held to account.

A report by abattoir inspectors, entitled *Red Meat*, found "serious cause for concern" that meat could be contaminated by *E. coli* 0157 and salmonella. This is an important finding which matters to the 19 out of 20 of us who are not (increasingly smug) vegetarians. The finding should have mattered to the Government, which they elected to look after their interests. What happened to it? It was suppressed: expressions of concern and references to specific contaminants were removed from the report, which therefore attracted no attention.

This is outrageous. People's lives have been put at risk. Nobody can say whether any of the 18 elderly people who died in the *E. coli* outbreak in Scotland would have lived if the original report had been published and acted upon, but the possibility is there. This was an issue that demanded, at the very least, some humility from John Major and Douglas Hogg yesterday. Instead, we got bluster and unconvincing attempts at self-justification. The Prime Minister accused Tony Blair of the "height of irresponsibility" in raising the issue before the agriculture minister

had made his statement - rich coming from Mr Major, for whose government the concept of "responsibility" seems to have an idiosyncratic meaning.

It must be a characteristic of any government that it tries to avoid responsibility for things going wrong and take the credit for anything going right. The Civil Service culture of Whitehall is riddled with buck-passing. But this government has turned the evasion tendency into a doctrine.

Mr Hogg would not resign over BSE, and he will not resign now. But the record of this government on food hygiene demands a sacrifice. It was clear, even before the BSE crisis, that it was undesirable to have a single government department, the Ministry of Agriculture, Fisheries and Food (MAFF), representing the interests of both producers and consumers. Its responsibility for the farming and fishing industries should be handed to the Department of Trade and Industry, and for consumers to the Department of Health.

Mr Hogg's name is only one on a long list of Mr Major's ministers who should have gone but did not. Norman Lamont refused to take responsibility for the failure of ERM membership. William Waldegrave and Sir Nicholas Lyell refused to take responsibility for bending the rules on selling arms to Iraq. Michael Howard will not take responsibility for anything that happens

in prisons. Nicholas Soames says his civil servants lied to him; and this week his counterpart in the Lords, Earl Howe, said he too misled Parliament about the use of pesticides blamed for illnesses of Gulf war troops. They still have their ministerial cars, and the head of no official has resigned.

Sure, resignations after taking responsibility for mistakes have never been common. Jim Callaghan's, in 1967, over devaluation, and Lord Carrington's, in 1982, over the failure of the Foreign Office to foresee the invasion of the Falklands, stand out partly for that reason. But since John Major became Prime Minister, no important minister has resigned voluntarily because they accepted that their department had done something wrong. "The concept of responsibility has been... replaced by a different code: survival." That was John Smith, speaking in 1993.

This was the context of Mr Major's interview on *Newsnight* on Wednesday. It seemed to be promising: very much the kind of thing we have wanted to see for some time. He was reasonable, direct and positive. He refused to have a go at Tony Blair. He was politely insistent about the country's sound economic position. And he

offered Jeremy Paxman a deal which marked some improvement on the doctrine of irresponsibility. He was prepared to say sorry for the cost to the taxpayer of trying to stay in the ERM if he were allowed to "accept the credit for the fact that we now have a low-inflation economy".

That would have been a fair deal if Mr Lamont had resigned as Chancellor in 1992. It might be a fair deal now if Mr Hogg is forced belatedly to take responsibility for the BSE crisis and the *Red Meat* affair. But in the cold light of Prime Minister's Questions in the Commons yesterday, "Honest" John reverted to slippery mode. The *Red Meat* report was "circulated to the people who needed to take action and I am advised by those people that they have implemented the action".

At this point, the cynic might mutter the familiar counsel of the voter who refuses to take responsibility: that politicians are all as bad as each other and there is nothing to choose between them. Wrong. At all times, the voter has a duty to weigh up the records and prospectuses of the politicians and choose the best - or the least bad.

Nobody yet knows for sure that a government led by Mr Blair would take more responsibility, although the Labour leader is on record as demanding resignations in various circumstances which will no doubt be cited if he takes over in Downing

Street. As befits an opposition politician, he has taken the high moral ground on ministerial responsibility; but he has yet to be given the opportunity to prove that this is more than a reflex posture. Let us hope that Mr Blair is building a concept of ministerial responsibility on the foundations laid by Mr Smith, his predecessor, who introduced a strongly moral language into our politics. One of the ways in which a new government may be judged is by the quality of its resignations.

## Big issue, small price

You, the taxpayer, are going to pay for pro-European propaganda in the run-up to the election. Is this not disgraceful? Well, no, actually. A persistent refrain of all surveys of public opinion is: "We are not told." People feel ill-informed about the European Union, vaguely aware that all this stuff about square tomatoes and straight bananas is not quite accurate. Yet the election does represent a real and important choice on Europe. The Tories will, as they say, never sign the Social Chapter and, as they will not say, never take Britain into a single currency. Is £150,000 not a small price to pay for a better-informed electorate?

## LETTERS TO THE EDITOR

### How parties try to bully the BBC

Sir: I notice that the BBC is being accused of political bias by senior politicians ("BBC under fire for assuming Blair win", 3 March).

This has occurred before general elections for at least 30 years. There is little point in picking out which of the main parties is involved; each one is equally liable. When it suits them they will "warn" the BBC, usually with some vague speculation about financial retribution after the election. When I was young it always seemed to be a "solemn warning".

The purpose of the warnings is to damage the confidence of staff and management for the short-term benefit of one of the main parties. On the whole, the BBC has learnt to live with these attacks and sometimes take courage from them, but one cannot deny that at times the assaults may have blunted its journalistic effectiveness.

The new chairman of the BBC would have every right to say that the corporation has for many years had an honourable record of reporting politics fairly. It has a well-trained and intelligent staff, with a clear understanding of its responsibilities to the public. It has studied and worked at the implementation of political impartiality for several decades and has evolved sensible techniques for monitoring.

There seems no legitimate reason why those involved in the political process cannot accept the need for a vigorous, responsible and independent BBC. There is no need for these crude and vicious attacks.

Of course the BBC has to take account of complaints. I would recommend that during the coming election it record a body of slightly deaf pensioners to take down the political parties' complaints in longhand, with a stubby pencil.

JOHN GRIST  
Richmond, Surrey

The writer was Head of Current Affairs at BBC Television and the first supervisor of parliamentary broadcasting at Westminster.

Sir: When I was on the *Panorama* team in 1964, we held a private poll to discover how the commentators, directors, producers and others in what was the BBC's flagship political programme proposed to vote in the general election.

To my surprise, we were split down the middle - with a tiny majority (52 per cent) voting Conservative. In the event, of course, Harold Wilson brought in a Labour government.

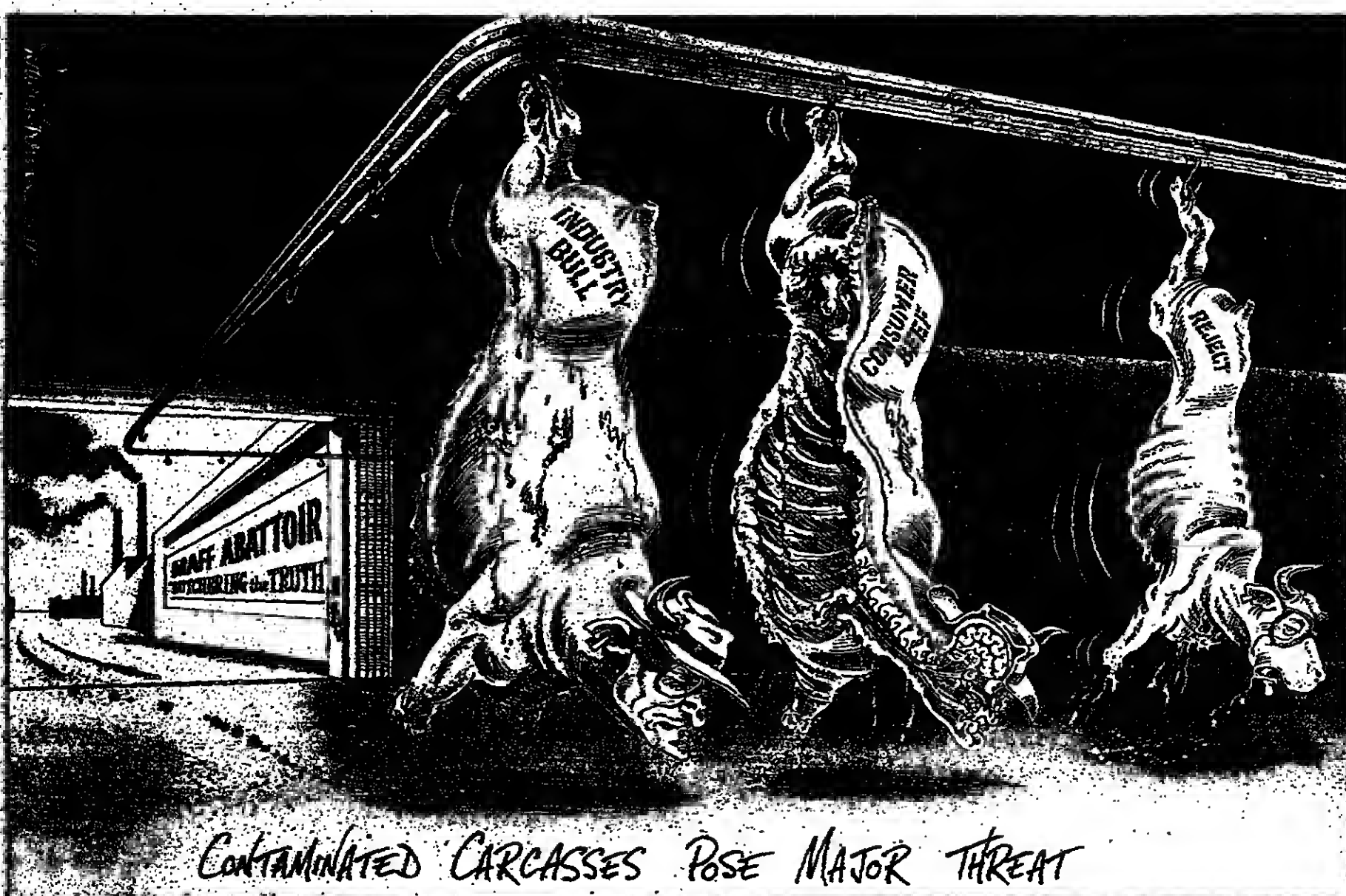
Without exception we all celebrated - because it meant we could look forward to a whole new range of political and social issues to provide fodder for our investigations. Our enthusiasm could so easily, and so wrongly, have been attributed to political bias.

MICHAEL BARRATT  
Hollyport, Berkshire

Sir: As the pressure increases for the Leader of the Opposition and his likely successor to appear together on television, may I suggest that a special edition of *Eurotrash* would provide an ideal forum for clarifying their positions on matters such as monetary union - hosted, of course, by Jean-Paul Majour and Antoine de Blair.

JE LAMPER  
Wareham, Dorset

Sir: How dare the Ulster Unionists keep this lame-duck Conservative government in power when the



### Counties lost in mists of history

Sir: The Victoria County History project (Letters, 3 March) might have a more secure future if the county was still a meaningful concept.

Three decades of reorganisation have left the country with a bewildering array of counties, administrative, civic, geographical, historical, judicial and postal. The new unitary authorities and the abolished county councils further complicate the picture. Maps, guidebooks, liturgies and the media use different definitions often erroneously and inconsistently. The Post Office, faced with public confusion, has abandoned the county in favour of flexible addressing. Many people no longer know, and will soon no longer care, in which county, if any, they live.

If we wish to preserve the counties as geographical and cultural entities we need a commonly understood definition of what they are. Perhaps the local authority associations, who support the idea of county histories, should provide one and promote its use.

JOHN CUNDILL  
London SW15

### Overwork is bad for business

Sir: Your report (4 March) about people working long hours in merchant banks in the City is merely the tip of the iceberg. Here in Britain we work longer hours than anywhere else in Europe, and both business and our families are suffering as a consequence. With 40 per cent of managers working more than 50 hours a week no wonder more than 80 million days are lost each year because of stress.

Long hours are bad for business, had for our children, for our families and ultimately for ourselves. In the long run the macho culture of long hours will be replaced by family-friendly employers who find they are better able to recruit and retain good staff.

Businesses like to be perceived as contributing to the community, but long working hours are actively contributing to the breakdown of communities. Our message to business is to think family-friendly, and get ahead.

SARAH JACKSON  
Joint Chief Executive  
Parents At Work  
London EC2

### Legal penalties

Sir: The trial in the football match-rigging case was inconclusive (report, 5 March) and it looks as though the taxpayer might be asked to fund another, possibly inconclusive, trial. Would it not be cheaper and more appropriate if the lawyers decided the matter now with a penalty shoot-out?

TOM MACNAMARA  
South Bank University  
London SE1

### Heart problem

Sir: When Mr Major says that he wants Britain to be at the heart of Europe, does he mean as a coronary thrombosis or a pacemaker?

JOHN A DAVIS  
Great Sheffield,  
Cambridgehire

great majority of people in Britain want a general election as soon as possible?

J H STEWART  
Hardwick, Cambridgeshire

Sir: Millions of us are utterly sickened at the waiting time for the general election. What is particularly frustrating is that if only we could afford to pay for it privately we could have it done next week.

MARTIN SHAW  
Leicester

### IRA suspect and her baby

Sir: In Irish politics it is never wise to create victims or martyrs. Roisin McAliskey is in poor health, in prison, and with child. The harsh treatment given to her by the British prison service has already brought protests from the Irish Department of Foreign Affairs and an inquiry by Members of the European Parliament.

British authorities have stated that she will not be chained to a bed while giving birth, but there has been no promise that mother and child will not be separated afterwards if both survive. At present the intention is to force a separation on grounds of "security". The separation would be unjust, quite apart from the obvious inhumanity, because the child is innocent and the mother has been proved guilty of no crime. Separation would also be foolish.

The birth is due in May when tension increases as the marching season in Northern Ireland draws near. The weakness of the United Kingdom authorities in their

handling of trouble at Drumcree and elsewhere last July has ensured that this summer the maintenance of law and order in what is alleged to be an integral part of the realm will be even more difficult than usual. Matters should not be made worse by gratuitous ill-treatment of an incarcerated woman and her child.

Professor GEORGE HUXLEY  
Church Eastone, Oxfordshire

### Time-bomb in Whitehall

Sir: You report on the Civil Service's vision for the year 2002, by which time 25 per cent of simple government transactions with the public might be carried out electronically ("Major's vision of an armchair TV revolution", 4 March). The Civil Service might like to explain first how public sector computers will cope with the Computer Millennium Problem (CMP).

Under the CMP up to 90 per cent of computers will be unable to move from 31 December 1999 to 1 January 2000, and will become useless. The cost to UK business of dealing with its CMP has been estimated at up to £35bn, equivalent to 1 per cent of annual UK business turnover. BT alone is said to be spending a figure equivalent to 5 per cent of its annual turnover in sorting out its CMP.

Given that the public sector accounts for 40 per cent of UK

gross domestic product, and that government makes huge use of computers, the cost to the public sector of sorting out its CMP could easily be in the range of £10bn to £20bn.

It is therefore not reassuring that in response to recent parliamentary questions asking the Government what policies are in place to deal with its CMP, the reply has been that the matter is under review. Students of the *Tes* Minister TV series will recognise the phrase "under review" as signifying the very lowest level of activity, approximately zero.

MCFITZPATRICK  
Head of Economics  
Chantrey Villacott  
London WC1

### Lib Dem rescue plan for schools

Sir: I was amazed to read Diane Coyle's article claiming that Liberal Democrat plans to boost education funding by £2bn per annum would not make much difference ("Failed maths will never make the grade", 4 March). She is also wrong to imply that any of the £2bn per annum would be used to fund the National Health Service.

Liberal Democrats are the only party to have faced up to the flooding problems in our education system, but we have never pretended that £2bn extra would convert our schools and universities overnight into

some sort of financial utopia.

What our £10bn programme for education over a parliament does allow for is the expansion of early-years education for all three- and four-year-olds whose parents want it, a massive boost to investment in books and equipment, the reduction of primary schools' class sizes to 30 pupils or less (benefiting some 1.5 million children), proper funding of special educational needs, more money for higher and further education and a start in reducing the backlog of buildings repair and maintenance work. It would make a very real difference!

MALCOLM BRUCE MP  
Liberal Democrat Treasury Spokesman  
House of Commons  
London SW1

### Health insurers neglect mothers

Sir: The choice of the Secretary of State for Health's wife to deliver her third child in an NHS hospital is highly commendable. Your article (5 March) mentions that the family has private health insurance but put its faith in the state's healthcare system.

This is fortunate because if Mrs Dorrell had chosen to exercise her option to have private maternity care and delivery, she would discover that her private healthcare insurance does not cover women for the cost of normal pregnancy.

Post letters to Letters to the Editor, and include a daytime telephone number.  
Fax: 0171-293 2056; e-mail: letters@independent.co.uk.  
E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.



## analysis

Whichever party wins the general election, there will be little money for the health service. Senior managers tell Jack O'Sullivan how they will make cuts to match their budgets

For more than a year, Stephen Murray, a 44-year-old former Sheffield steel worker, has tried to obtain beta interferon, a revolutionary new drug, on the NHS. Designed to prevent relapse in the early stages of multiple sclerosis, it could save him from being in a wheelchair. Mr Murray knows people in Manchester who have already been prescribed the recently licensed treatment. So why not him, too?

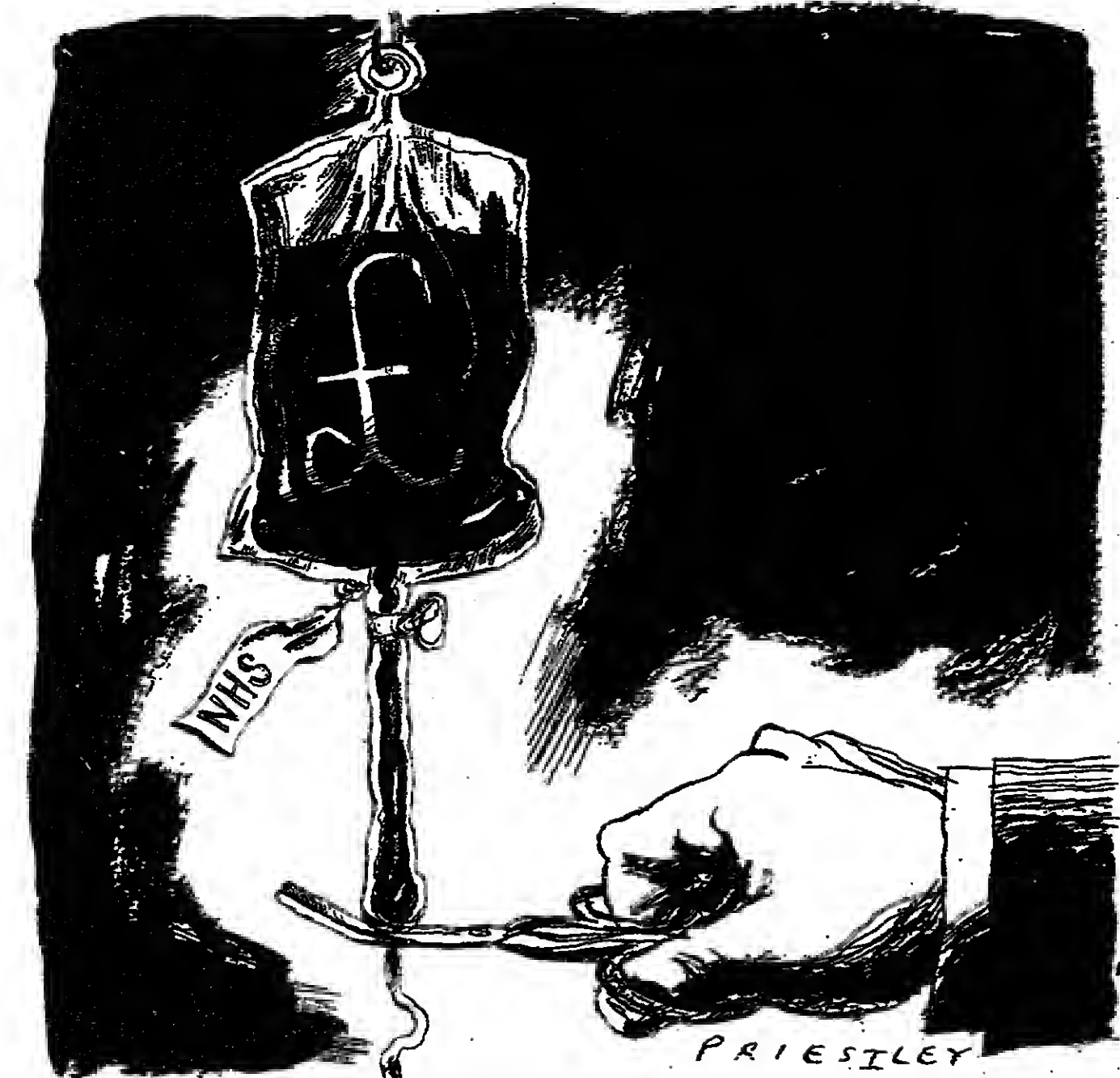
The doctors keep saying "no". The NHS in his area, he has been told, cannot afford the £10,000 a year the drug costs. Mr Murray is in despair. "Every day, my situation is deteriorating," he says. "When I started asking for the drug, I could walk a mile or more. Now I'm finding it difficult to walk 50 yards. By the time they say I can have beta interferon, it might be too late for me."

Stephen Murray's plight is the price of today's cash-strapped NHS, where tough choices are being made about priorities. His dilemma could soon become increasingly familiar. Hidden in public spending plans accepted by all the main political parties is a well-disguised decision that NHS will be severely squeezed until the next century. That means little money will be available to fund technical and pharmaceutical advances such as beta interferon. Worse, top managers say that even existing services will have to be cut if current spending plans become reality. In short, a vote for any of the main parties means a weakened NHS.

Few of those responsible for spending NHS money will go public about their concerns, but across the country they are discussing the closure of hospitals, the lengthening of waiting times, the halting of certain kinds of treatment and the suspension of planned improvements, regardless of which party wins the general election. These are not outspoken doctors, shrouded in their own narrow departmental needs. These are the managers, the people who think it is their job not to complain but to make budgets work.

The problem is that the NHS - to meet the extra financial demands of an ageing population, wage increases and technical advances - is assumed to need, and has customarily received, about 3 per cent extra every year above inflation. But, according to Andrew Dilnot, director of the Institute for Fiscal Studies, the government has budgeted for, and Labour has endorsed, negligible real growth over the next few years. At today's prices, they plan to spend £33bn on the NHS in England and Wales in the year 2000, just £2.6bn more than this year. *The Independent* asked heads of hospital trusts and health authorities and GP fundholders - the people who control the purse strings - how such plans would affect them.

"We would see a major programme of hospital closures under these spending plans," said the director of commissioning for one north London



## Prognosis is grim for the NHS

health authority. "We would have to cut national programmes such as medical education and quietly reverse the new deal that reduces junior doctors' hours. The government's commitment that no-one should wait longer than 18 months for an operation would have to go. Some people would have to wait longer and those dealt with more quickly would be treated according to clinical need, rather than, as now, time on the waiting list. Some people, with varicose veins, for example, would never get them treated at all."

"We would also have to be much tougher with hospitals about nailing down priorities that we wanted our money spent on. But, frankly, I don't think we have the management capacity to do that - particularly since the number of managers is going to be cut back if Labour is elected."

Alan Randall is chief executive of Worthing Hospital, near Brighton, which serves one of the largest elderly populations in Britain. He thinks the survival of smaller hospitals is threatened by

these spending plans. "People would have to travel more rather than go to outreach hospitals nearby. Locally, to raise more money, Worthing hospital would compete more vigorously for private patients so a private hospital would probably go under in this area... It is almost inevitable that people would have to dip into their pockets for minor operations such as cataracts and maybe joint replacements."

Some health economists hope that a funding shortfall could be made up by squeezing NHS salaries. But managers are already having trouble recruiting staff because of low wages. "We've just recruited 35 nurses from Australia to fill the nursing gaps," says Alan Randall. And no-one thinks that Labour's war on bureaucracy would produce the necessary savings.

This threatened crisis comes against the background of a bad winter in the NHS. Earlier this year, for example, a stroke victim at St Helier hospital in Surrey waited on a trolley for 54 hours before a bed could be found for him. And there are tales of lives at risk because of delayed operations around the country. Annette Donegan of Stockport Community Health Council says, "We had a letter from a man recently who said we had saved his life. He had been told by consultants at Manchester Royal Infirmary that he needed cardiac surgery, but there was no money to pay for it. The problem was only solved when we intervened. He was taken into hospital and they operated immediately. Apparently, he was just on the brink - he had a serious life threatening condition."

Then there are all those operation cancellations which produce great inconvenience and stress. "We had another patient," says Ms Donegan, "who was

told before Christmas that her operation would be in seven months, then nine months, then 12 months; now the hospital can't tell when it will be. It isn't a life-threatening condition, but people get worked up about a date, arrange child care for the family and then at the last minute find the operation is postponed. It's terribly distressing."

A major rethink in services would also be required by GPs. "We need 3 per cent extra a year because the population is getting old and there are new procedures," says Dr Erl Annesley, a GP fund holder in Keyworth, Nottingham. "I've saved as much as I can on drugs unless more people are going to pay for their own. If someone comes to me wanting beta interferon, I can't give it to them."

The message to whomever runs the Department of Health in a few months is that tough decisions will be required. And, much as the new Health Secretary might wish local areas to take responsibility for the impact of tight spending, real savings may demand clear central directives limiting services. At this rate, it looks as though Health Secretary Stephen Dorrell or his shadow Chris Smith, for all their reassuring language, are heading for a political storm.

Next week, Polly Toynbee asks Stephen Dorrell and Chris Smith to respond to the above indictment.

## A case of chaos in our hospitals

In Hackney, east London, one of Britain's poorest neighbourhoods, there was always one refuge whose doors never closed, even in the dead of night. The Queen Elizabeth Hospital for Children, a few hundred yards from a string of notorious council tower blocks, is an oasis. For 127 years it has been the destination of many dashes in the middle of the night by worried parents, nursing a feverish child. Some of the first x-rays and first operations on children were conducted here. Children's drawings cover the walls and toys litter the casualty department, which looks more like a crèche than ER. Everything is geared specifically to children: there is even a teacher for the long-stayers.

But last week the hospital's closure was announced suddenly. Only months after Queen's was given the all-clear for the next few years, a financial crisis in the local health service means it will be absorbed within a year into the Royal London, a general hospital.

The hasty demise of Queen's, leaving children's services in the area in chaos, is typical of the rapid, poorly planned closures that are expected if NHS funding is squeezed after the general election in the way the main political parties are proposing. And the strong local opposition to the closure, led by Labour-run Hackney council, demonstrates the pressures Chris Smith, Labour's would-be Health Secretary, will face if his party wins the election.

Queen's was supposed to stay open until the next century, when a new purpose-built hospital would have been built attached to the Royal London, about a mile away, which itself is due for rebuilding. Instead,

the old Queen's services will now be crammed into abandoned wards in the Royal London. That will save £5m, just part of the £15m annual savings that the umbrella Royal Hospitals Trust must find by spring 1998.

"It's crazy that these services are moved in this better-sheltered fashion onto what is a building site in Whitechapel," says Janet Richardson of the local community health council. "If they could not see a way last October to replace the services provided at Queen's, what has changed since then, except financial pressures?"

"This hospital is very important. A Bengali mother, for example, will not telephone the emergency doctor service at night because of the language problem. She'll take a minicab to Queen's, where she feels safe, because as soon as you walk through the door, it's a secure, child-friendly environment. She will not feel like this going to the Royal London."

Vanessa Wright, clinical director at Queen's and a consultant paediatric surgeon, is resigned to the move. "The financial crisis has been like a tidal wave through east London, making the sand shift beneath all our feet." She hopes that within a few years the promised new dedicated children's unit will be built. "We would like to get our hospital back." But she knows children's services face "powerful advocates from other services. We must make sure we are not short-changed." In other words, a hasty bit of panicked decision-making could result in a long-term deterioration in children's services for a deprived part of Britain, with the highest birth rate in Western Europe. Other small hospitals should watch the fate of Queen Elizabeth's and take note.



A sick child at the Queen Elizabeth Hospital for Children, Hackney, to be closed within a year. Photograph: Nicola Kurtz

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## One tomato, and the scare is rolling

"Did you see Delia Smith on television this week? It was absolutely revolting. But I saw it with my own eyes. Dear old Delia came on the screen, picked up a tomato and said to the TV audience, 'What you do is cut the top out of the tomato, like this,' and then she cut the top out of the tomato, and then she said, 'What you do next is put it on your nose' - and she put it on her nose, and grinned! I couldn't believe my eyes. It was quite awful."

The speaker is Ernest Druce, head of the National Health Scare Bureau. But what was so very wrong with what she was doing?

"Wrong! Wrong! Can't you see the dangerous message she was spelling out?"

You mean, she was wrong to tell us to put a tomato on our nose because in real life it will fall straight off again? And perhaps cause a serious accident if it rolls under a police horse's feet?

"No, no, no, no," says Ernest Druce, as if he were talking to an unintelligent child or, of course, a journalist who was not very quick on the uptake. "I am talking health hazards here. I

am talking nasal infections. I am talking respiratory disease. I am saying that if we all went around putting tomatoes on our noses, we could be looking down the barrel of a major epidemic."

An epidemic of what?

What have epidemics got to do with a good cause?

"It may be Comic Relief Day's job to raise money through laughter," says Ernest Druce, "but it is my job to start health scares. And when I saw Delia Smith putting a tomato on her schnozzle, a 100-watt light bulb came on in my head and I thought to myself, 'Why should anyone want to start a health scare? There will always be health scares,' says Ernest Druce. "Rumours will always spread. Can't stop it. But we can at least channel them and invent them. That's why the National Health Scare Bureau was set up. To make sure that health scares are always about something we can cure or control."

So you are spreading a rumour about Comic Relief Day?

"Oh, yes," says Ernest. "It's a natural. Everyone is a bit fed up with the whole thing



Miles Kington

anyway and is only looking for an excuse to avoid it. So immediately I put our staff on red alert, spreading rumours that nasal infections can be spread if people share the same tomato on Comic Relief Day. There are still some dangerous strains of flu around, at least there are if you believe our last-but-one health scare, and we are going out there to tell people not to put their nose in any tomato which may conceivably have been used by Delia Smith or anyone else. They just don't know what they are picking up. Plus the dangers of inhaling tomato pips. Plus the

genetically engineered dangers!"

The what?

"Oh come on, you must have read the scares we put out last year about genetically altered fruit and veg. About how tampering with soya bean genes can endanger the whole species. Oh, yes, I do remember reading something..."

"Well, our message to people now is this: Don't put a tomato up your nose, for fear of acquiring a genetically altered gene or chromosome from an American lab and altering your DNA for ever!"

That couldn't happen, surely?

"No, of course it couldn't. But the public don't know that. People will believe anything. The great advantage of working for the National Health Scare Bureau is that we don't have to prove anything. All we have to do is spread rumours. So this week we are working on the rumour that Comic Relief is actually bad for people. Not just because of tomatoes. Because of putting anything on your nose. Those little red ping-pong balls strapped to your conk can cause interference

to the breathing patterns which over only an hour can have serious effects. Asthma attacks. Sinus trouble. Epilepsy..."

Comic Relief Day can cause epilepsy?

"I'm glad you think so. Comic Relief Day can also cause tragic motor accidents."

Through people being unable to see the road properly on account of tomatoes on their noses?

"No, through fixing those dreadful red tomatoes and red splodges to the front of their cars. Did you know that a dozen people at least have been run over while in the act of fastening red noses to their front bonnets? Did you know that dozens more have needed first aid after getting their fingers trapped in their bonnets or radiators while wiring these tomatoes on?"

Is that true?

"I haven't the faintest idea," says Ernest Druce. "Not my job to check facts. But it sounds plausible. My only job now is to start leaking this scare about killer tomatoes into the media. Major killer disease traced back to Delia Smith - that sort of thing. Care to help?"

I'll do my best.



## If Labour wins big, what happens to the Lib Dems?

Paddy Ashdown can go off to his spring conference in Cardiff this weekend in quite a satisfied mood. The pact reached with Labour on the most momentous programme of constitutional reform since women got the vote reflects especially well on the Liberal Democrats. It did not, as it might have done, look like his party being overshadowed by their political big brother.

Here was Labour going some way to meet Mr Ashdown on his own territory, being graceful about his commitment to electoral reform, and respectfully signing him up as the chief guarantor of its good intent towards Scottish devolution, a democratised London, an aristocrat-free Lords, a Freedom of Information Act and a Bill of Rights.

They didn't get it all their way. Blair didn't commit himself to backing proportional representation in the referendum which he has promised. And the Liberal Democrats haven't buried quite as comprehensively as they claim the least radical (and not genuinely proportional) option for electoral change – the alternative vote (AV) system. True, Robin Cook and Jack Straw both wanted to eliminate AV as an option – Cook because he favours a full-blooded system of PR, and Straw because he wants to maintain the status quo and fears that AV might tempt some who would otherwise resist reform. They were happy to agree a formula which says the voters will get to choose between the status quo and a "proportional" electoral system – which Blair himself has indicated AV isn't.

This certainly makes AV highly unlikely, though not, the Labour experts insist, impossible. But that's a wrinkle. Ashdown will not be going too far if he claims on Sunday that he has helped to start a momentum for electoral change. He believes that the European elections should be by PR in 1999, that the Commission charged with coming up with an alternative electoral system for the Commons need take no more than three months to report and that a referendum could be held before the end of next year.

This is important. Now they have abandoned equidistance between the two main parties and Labour is led by a moderniser, Ashdown has problems explaining what the Liberal Democrats are for. This weekend, he will stress some of the differences between his party and Labour beyond their well-worked-out environmental policies unveiled yesterday. Having been rather vague in the past about the extra 1p in the pound tax rise to improve education, Mr Ashdown will spell out that this would cost the average taxpayer about 45p a week extra. He will also detail what that would buy in education spending – for example, in equipment and books for primary schools.

He will also attack what he sees as a creeping "moral authoritarianism". Explicitly, this is directed at the Tories and Michael Howard. But, thanks to Jack Straw's hawkish attitudes on law and order, it is an area where Ashdown can also differentiate himself from Blair. It isn't clear that being bolder on income tax or more liberal on crime than Blair is exactly helping to lift his party's popularity, still trailing below its



Donald MacIntyre

Blair and Ashdown agree on many things, but not all. Yet a merger of the two parties is possible

pre-1992 election levels. (In an interview in yesterday's *New Statesman*, Ashdown refers ruefully to a remark by the US Democratic Presidential hopeful Adlai Stevenson. When told by a supporter that all good men will vote for him, Stevenson replied "That isn't going to be enough.")

He is also paying a price, in terms of his relations with Labour, for what his senior figures continue to complain are carping public criticisms on policy from spokesmen below the level of the two Liberal Democrat politicians Blair most admires – Ashdown himself and Menzies Campbell. This is so much the case that in the increasingly byzantine contingency planning for a TV debate between the party leaders, Labour are not going out of their way to fight Ashdown's corner in seeking equal air time. So there are limits to co-operation, but that may be worth it to preserve the distinctive identity which Ashdown needs to fight a national campaign.

But is this for always? Ashdown has managed to maintain a separate brand image – poll ratings may not be spectacular but the fact that its vote in the *Witral* wasn't squeezed below four percent confirms that its support isn't going to implode. The real identity crisis is much longer term. The party's

elder statesman, Lord Jenkins, was misreported as having called for a merger in a speech last Saturday. He did no such thing, and even if he had, every senior Lib Dem has ruled out the idea.

What's more, Ashdown is entitled first to say that Blair's politics remain an unfinished canvas – with the Labour leader both reassuring voters that he is safe and allies that he will be more radical than they think – and second that there is an ideological distinction between the social democratic roots of New Labour and the Liberal traditions of his own party. (Even though his party contains quite a lot of erstwhile social democrats whom Labour would like to hoover up if they could.)

Suppose Labour gets a landslide. Ashdown said yesterday his party would sit happily on the opposition benches. But to what end? Suppose also that Blair's law and order policy, perhaps even his Home Secretary, is not quite as authoritarian as the electoral imperative now dictates it is. Suppose that savings elsewhere result in increased education spending at a level to dwarf anything which Ashdown is offering. Suppose that Blair becomes an environmentalist after the election as Ashdown is now. Suppose, above all, that Blair succeeds in projecting himself less as a social democrat than the inheritor of 19th-century liberalism, a coalition of interests on the centre and left, but non-corporatist, business friendly and less alienated from the establishment than previous Labour governments. Then, as the writer Jan Burman has put it, we would be "on the threshold of a neo-Gladstonian age". Does the equation change? Not immediately. Not perhaps even in a first parliament. But in the much longer term, the possibility that Lord Jenkins, child of the Labour Party but biographer of Asquith and Gladstone inadvertently raised last weekend might not seem so outlandish as Ashdown now claims it is.

## Young heroes know the form, and smash it

by Suzanne Moore



You must have a larger-than-life personality that attracts huge audiences, but you must still adhere to the BBC guidelines



What's the difference between a DJ and a Tory MP? Both of them can shoot their mouths off but only one of them gets fired. Danny Baker joins the ranks of Chris Evans and Chris Morris in being dismissed by their employer for overstepping the lines on taste and decency. Noel Edmonds, Jim Davidson and Eamonn Holmes should also be banned from broadcasting on the grounds of taste. Mine. Unfortunately, my definition of what is truly obnoxious differs from the BBC's whose unwritten laws include not wishing terminal illness on a football club's directors, telling callers to shut up or urging fans to picket the home of a referee. You may, it appears, be controversial and humorous but not insulting. You may rant but not rave. You must have a larger-than-life personality that attracts huge audiences, but you must still adhere to BBC guidelines.

It is not worth shedding any tears for the likes of Evans (Chris) and Baker – they will find other employment and they both boast about how much money they earn. These bad boys are no more than rebels without a cause, a clause in their contracts that guarantees their genius/megalomania free rein. Yet their hiring and firing tells us something about our deregulated culture, about what happens when the centre no longer holds.

We talk of deregulation often in purely financial rather than cultural terms. This is why the paternalism of the BBC, rooted in a past that at least pretended a consensus around notions of taste and fair play, is simply unable to cope when such a consensus breaks down. For it has broken down. Audiences have fragmented with more choices than ever before. We have not only more channels but more TV sets, more radios and we don't often watch with mother these days.

The deference of previous generations has been replaced by a healthy irreverence which reveals a fundamental distrust of those in authority. Baker railed against the football establishment with constant swipes at his fellow broadcaster David Mellor, "the sort of bloke who has never paid to watch a game of football in his life". Baker claims his sin is being "too real". Evans was always slugging off his BBC bosses on air. They flaunt their ordinariness, and their wealth – thus breaking a cardinal rule of celebrity: that is to say, it will not be at someone else's expense.

Indeed the likes of Baker and Evans are great demystifiers of the broadcasting media, constantly referring to produc-

ers, scriptwriters, cameras, microphones, all the formerly invisible paraphernalia of broadcasting. In the Seventies we would have described what they do as "deconstruction" and insisted that such Brechtian strategies as revealing "the processes of production" were in themselves radical.

Nowadays though you can't move for television eating itself in front of you. Even the disembodied voices of the Channel Four continuity announcers have been revealed as belonging to people sitting in studios with headphones on. *The Bob Mills Show* demonstrates that what goes on behind the scenes of a chart show is much more interesting than the show itself. Deconstruction for its own sake then,

is hardly radical (and least so when done by glibby guys who think themselves far more charming than they actually are) but it has altered what used to be called "the grammar" of broadcasting.

The antics of an Evans or a Baker may take apart the medium but this is not done for any larger purpose than the presenter's ego. Nor should we forget that they are broadcasting to the camera generation, to punters who are not scared of what comes out of screens because they know how it goes in, for whom not much is sacred.

What was daring becomes just another style – Zoo TV – and in reaction broadcasters start seeking authored documentaries, in which some authoritative but idiosyncratic

presenter strides around as a repository of truth – Andrew Graham-Dixon, Howard Jacobson, Jonathan Meades. Men strangely enough seem to have cornered both the big mouth and the big brain market. Women get *The Girlie Show*.

*The Girlie Show*, I'm afraid, is a sad but blatant attempt to appeal to the youth market. Everybody wants some "word". Everyone in the media wants to make products that young people feel are theirs, which no one else understands. How is this to be done with no swearing, smoking, sex or drugs? Well, it can't

be, which is why I find myself having to answer the question "Mummy, what does the F stand for in *T.E.I. Fridays*?"

Youth culture has actually been going quite a long time, and it must pose a continual threat if it is to be credible. It is a sign of how conservative rather than how liberal we are that swearing is considered so shocking. Evans has been constantly reprimanded for swearing on air, many stand-up comics rely on getting a laugh just by saying the word "Shag". None of this brings about the collapse of the Western World because much of it is relentlessly laudish. It's about having a laugh rather than making a point. It is anti-authority but apolitical. It is about not sucking up to bosses, chiefs, the establishment. It is about being rude not radical.

The BBC cannot buy in this spirited chippiness and then balk when it crosses over the very lines that its target audience does not care about anyway. By sacking Baker and Evans, it turns them into heroic defenders of freedom. The freedom to be what? A mouthy bloke. An ugly bloke with a talent, as Chris Evans might say?

Yet for all the fuss, the only mavericks I've seen on screen recently have been Chris Morris who is some kind of god, Mrs Merton trying to locate "Charlie" for those backstage at the Brit awards and Homer Simpson. The surprise is not how out of control broadcasting is but how so many of the conventions stay intact. Without them of course Morris could not shine. He could not satirise the pomposity of current affairs, the arrogance of the Buerks and Faxmans, he could not discuss morality in terms of "good Aids" and "bad Aids", he could not inform us that Noel Edmonds is a murderer, he could not show businessmen injecting "illegal high drugs" into their groin while discussing a new line of jam. He depends entirely on the media loop.

He constructs programmes about other programmes. He needs to continually overstep the line to show us how meaningless the lines are. If the BBC can't tolerate them, such broadcasters will easily find other homes. If audiences don't like it, they can switch to something more to their taste. That's what a deregulated market means and in such a world loose cannons are not just guns for hire, but the biggest guns of all.

## Ireland's message for the Pope

President Mary Robinson visits the Vatican – not an easy day for the pontiff. By Mary Condren

President Mary Robinson's meeting in Rome with Pope John Paul II tomorrow is a historic occasion. The last time a female head of Ireland, Elizabeth I, came in direct contact with the Pope, she was excommunicated. The parallels are striking, but so too are the contrasts.

Elizabeth I was sovereign head of a country at the forefront of a major challenge to the power of Rome. England, Robinson is head of an Irish republic where sovereignty resides in the people. As the people's representative, President Robinson will have a number of key questions on her mind, and the Pope's response could be crucial. The Pope will no doubt wish to raise some current Irish issues: the dangers of a new Education Bill, the Divorce Act, the widespread availability of contraception, and abortion information. But given Robinson's stature and courage, nobody should be under any illusion that this will be a one-way conversation.

It is said that one of the patron saints of Ireland, St Brigit, stood at several thresholds of Irish life: the old and new, rich and poor. She mediated between these traditions, and both she and her successors, the abbesses of Kildare, were known as those who "turned back the streams of war".

President Robinson stands in that great tradition of Irish womanhood, not through ecclesiastical endorsement, but by virtue of her intelligence, compassion, and commitment. She is a feminist in the best sense of the word, and for many years she was a lone voice in the legal profession championing the cause of women over access to contraception, rights for minorities, social provisions for single

mothers and legal equality in marital status.

Ireland had little truck with Elizabeth's 16th century Reformation. Given its political and social history, the country was best served by maintaining its alliance with the one European institution potentially capable of challenging colonial England: the Roman Catholic Church. Irish Catholicism has been profoundly shaped by colonial history, especially following the disastrous famines of the mid-19th century. The subsequent "devotional revolution" gave rise to a massive increase in vocations to religious life, sexually repressive practices, and a pious born of despair rather than hope.

Now secular control of education, legalised divorce, access to contraception and abortion are all seriously on the political agenda, and some have been achieved. The number of religious vocations is declining rapidly, church attendance is falling, clerical scandals and reports of child abuse in religious-run institutions have shattered ordinary Catholics and undermined the triumphalism of the clerical establishment.

This has thrown wide open the question of abuse and violence in the home. Agencies are now besieged by adult survivors of such abuse as well as current victims. A recent court decision allowed three women to open the



Mary Robinson: her influence possibly surpasses that of Ireland's executive power structure

question of their father's abuse 30 years ago. The dam has burst, and no amount of wishful thinking or repression will stem the tide. Irish Catholicism is being forced to search deeply into its hitherto innocent heart.

James Joyce, on going into exile, declared that he went forth "to forge in the smithy of my own soul the un-created conscience of my race". Robinson stayed home and did just that. She has attempted to develop a new Irish identity, phrases such as "the island of Ireland", are carefully chosen

to transcend old political stalemates, and to encourage all Irish people to live together in peace.

In the tradition of the Jewish and Christian prophets before her, Robinson calls for "meekness and not sacrifice". In her work as a lawyer she will have seen too many women sacrificed to maintain the facade of self-righteousness and innocence of a fading Ireland. Under her influence, whatever Irish identity will be forged will not be sacrificially achieved: that is to say, it will not be at someone else's expense.

Over the past 30 years three thousand people have died violent deaths and countless thousands have been maimed, blinded, and bereaved in parts of Ireland. This violence is at least underpinned, if not caused, by religious sectarianism. No self-respecting politician in Ireland can ignore the substantive question that will lie behind this historic meeting: Can the unique position of the Roman Catholic Church in Ireland, and in particular the enshrinement of its moral codes into the law of the land, any longer be sustained? The Pope may well wish this to be the case, but the vast majority of ordinary Irish Catholics now deem otherwise.

Behind this question lies another. The Catholic church in Ireland has traditionally enjoyed constitutional protection. In a multicultural society, this is no longer tenable. The question is thus: the future of Irish Catholicism

contingent upon maintaining its traditional legal safeguards, or can Irish Catholics be trusted with preserving the best features of a faith that has served them well without petrifying that faith, and without the legal safeguards hitherto afforded to them by the constitution?

In essence, that will be the question to be posed by President Robinson to the Roman pontiff. Although the President has no executive powers, the Pope is under no illusion as to her moral and spiritual influence in Ireland – influence that possibly surpasses that of the executive power structure. Her message to the Pope might be as follows: If Catholicism is not part of the solution, then it may be part of the problem. The choices are stark. Traditionally, Irish Catholic mothers could have been counted on to pass on the Catholic faith. However, in the light of Ireland's political and social history, where children have been sacrificed to maintain a facade, and where political violence is underpinned by sacrificial moods, many are now simply turning away in search of a life-giving spirituality – one that will serve to empower their search for new ways of living with integrity.

Once content to act as handmaids of the Church, Irish women are demanding a voice and, in some cases, full ministerial authority. One of the last straws grasped at by St Thomas Aquinas to refuse priestly ordination to women was that women (like slaves) could "not signify eminence". President Robinson is proof that they can, and a compelling example of why they must.

The writer is director of the Institute for Feminism and Religion, and author of *The Serpent and the Goddess: women,*

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# business & city

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## Glaxo calms fears over loss of Zantac patent

Magnus Grimond

Glaxo Wellcome, the UK's biggest drugs group, yesterday moved to allay City fears about its future after its best-selling Zantac anti-ulcer drug loses partial patent protection in the US later this year.

Sir Richard Sykes, the chief executive who will take over the chairmanship in May, warned that sales of Zantac, just under a quarter of the group total last

year, could plunge by as much as 80 per cent after the patent expires in July.

But in a clear message to analysts who have suggested earnings at the group could go into reverse, he said he expected turnover growth to be back up in double-digit percentages by 1999, while earnings would be "at least maintained" over the next two years.

Products introduced since 1990 hit sales of £2bn last year,

overtaking Zantac for the first time, Sir Richard said. "Sales of new products give us confidence as we go forward into 1997 and 1998, which will be tough years. Even under the worst-case scenario for that business, we can grow the business in low single-digit numbers and once we get through 1998, we have confidence we can grow in double digits."

The outcome of Glaxo's appeal against a US court ruling

allowing rival drugs group Novoparm to sell a generic form of Zantac is expected shortly. Sir Richard said Glaxo would announce strategies for dealing with the competition, which would only hit around 10 per cent of the group's sales, by July.

The shares, which initially dipped 28.5p yesterday, ended 14p ahead at £10.49.

One analyst said for the first time the company had looked

over to the other side of the Zantac chasm: "Today could mark an important turning point at Glaxo in that the stock market may now start to focus on life beyond Zantac."

Steve Plag at Barclays de Zoete Wedd, the stockbrokers, said sales growth excluding Zantac was 14 per cent last year, led by products introduced since 1990. Between now and the end of the century the company would launch another 20 drugs, he said. "We all know 1997 is going to be a very, very tough year, but by 1999, this company is going to look very, very different."

Sir Richard's comments came as Glaxo Wellcome announced pre-tax profits of £2.96bn for last year, 18 per cent ahead of the figure for the 12 months to December 1995, excluding the costs of integrating Wellcome.

The results covered the first full year since the £9bn acquisition of the drugs group. John Coombe, Glaxo finance director, said the integration was "bang on target", delivering £150m of savings last year. Most of the 7,500 planned cut in the combined groups' workforce had been achieved, and the focus was moving from research and development activities to manufacturing operations.

Glaxo said sales of anti-HIV products more than doubled to £500m last year.

## Ford's share of UK car market plunges

Chris Godsmark  
Business Correspondent

Ford's British strategy was dealt a further blow yesterday with statistics showing the company's share of the UK car market plunged to little more than 16 per cent last month, one of its lowest market share figures for decades.

The sales data, from the Society of Motor Manufacturers and Traders, was last night being interpreted as further evidence of Ford's shift in policy towards the UK, where it has been market leader since it overtook British Leyland in the 1970s.

In February Ford registered 26,753 cars in Britain, giving it 16.4 per cent of the market, compared with sales of 33,564 in the same month in 1996, yielding a 21.1 per cent share of the market. Sales of the Escort and Fiesta, which have traditionally vied for top sales spot, were particularly disappointing, beaten into third and fourth places in the league table by the Vauxhall Astra. Sales of the Escort nosedived by 50 per cent.

Jay Nagley, a motor industry consultant from marketing consultants Quadrangle, said: "The Escort has been heavily incentivised to encourage buyers since 1991 and it seems Ford is now pulling back on special offers and this is hitting the model particularly hard."

The winners in last month's figures were yet again continental and Japanese brands, which industry analysts have argued are more appealing in marketing terms to consumers. The market share for both Renault and Peugeot surged by 1 percentage point to 8.2 per cent and 8.5 per cent respectively. Meanwhile the market shares of Vauxhall and Rover both slipped back slightly.

The three figures for Ford follow a bad month in January and mean that in the first two months of 1997 the company's overall market share has fallen to less than 18.2 per cent. Last year Ford dropped below 20 per cent of the British market for the first time for decades while its European operations sank into losses of £280m, with the UK blamed as one of the main drains on cash. The poor showing for the Escort will come as a blow to workers at Ford's Halewood plant on Merseyside, which manufactures the model, where 1,300 job losses have been announced.

## Nomura claims Tokyo directors 'siphoned funds'

Jill Treanor  
Banking Correspondent

Nomura Securities, the giant Japanese stockbroker company, yesterday added its name to the ever-lengthening list of financial scandals by announcing that it suspected that two of its directors in Tokyo had been conducting unauthorised trades to the benefit of a client's account.

There were reports in Tokyo yesterday that millions of yen had been deposited in the account of the client, which allegedly was linked with a racketeering operation.

The announcement was made after the Tokyo market had closed, but the shock of the scandal was felt in London where shares in Nomura, by far the biggest broker in the world, plunged by 9 per cent during the course of the day.

Nomura levelled the accusations against the two directors, who have not been named, after concluding an internal investigation into the transactions. Japanese regulatory bodies have also been conducting their own investigations for months.

The company refused to give out details of the directors, and it is unclear whether they have been suspended with some reports they were still in their posts. It is known, however, that one of the directors is from Nomura's general affairs department and the other is responsible for stock transactions.

Reporters in Japan have been pursuing rumours about a financial scandal at Nomura for several months. Recent reports have stated that the Securities

and Exchange Surveillance Commission, one of the Japanese regulatory bodies, had begun its investigation after suspecting Nomura had reimbursed huge sums of money to a Tokyo-based investor to make up for losses incurred through futures trading in Singapore.

Blackmailing of companies by *sokaiya* has been going on for years. It became so endemic in the 1980s when *sokaiya* threat-

Nomura began its own investigation at the start of the year and passed on the findings to the Japanese regulators. Not until the regulators have completed their examination of the transactions will further details of the case be released, Nomura said.

Nomura said its internal investigation "appears to indicate that, quite regrettably, there is a possibility that some of the transactions investigated did not fully comply with our code of conduct". As such, the transactions could be considered discretionary and prohibited by law.

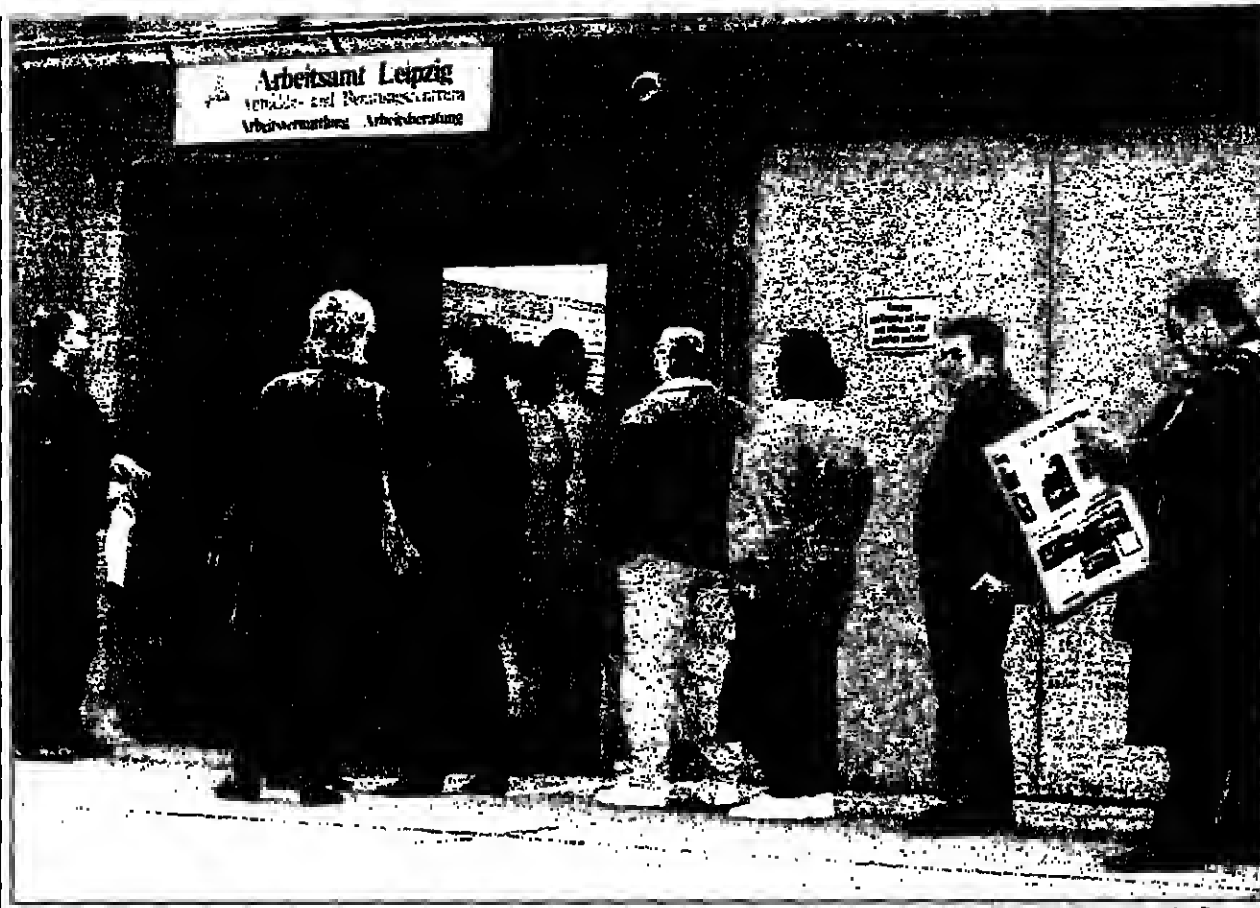
"We found three transactions that were clearly suspicious," Mr Saito said.

This is the second time that Nomura has grabbed the headlines for the wrong reasons. The announcement yesterday comes soon after market manipulation allegations against its London-based Nomura International operation by Australian regulators.

The Australian Securities Commission (ASC) is accusing Nomura International in the Australian Federal Court of several charges of market manipulation related to trading activities in March 1996. Nomura International is denying any wrongdoing in connection with the stock index arbitrage trades in Sydney that involved simultaneous buying and selling of shares and futures contracts.

"The transactions referred to in the ASC allegations were legitimate stock index arbitrage transactions and took place in March 1996. They did not, or will not, have any adverse impact on Nomura's financial performance," Nomura International said in London.

**We found three transactions that were clearly suspicious**



Rising numbers: A queue outside an employment exchange in Leipzig east Germany yesterday

Photograph: Reuters

## German dole queue tops 4.3m

Imre Karacs  
Bonn  
Yvette Cooper  
London

German unemployment rose slightly last month to set another post-war record, but analysts said the jobless rate had now peaked. According to figures released yesterday by the Federal Labour Office, seasonally adjusted unemployment rose by 5,000 in February, reaching 4,316,000. The tiny increase did not affect the adjusted jobless rate of 11.3 per cent.

Latest indicators suggest that the winter "growth pause" in German economic activity is coming to an end, raising expectations that EMU will go ahead on time. High unemployment, pushing up public spend-

ing and pressurising tax revenues, is hindering the German government's ability to meet the Maastricht criteria of government borrowing below 3 per cent of GDP and government debt below 60 per cent of GDP. But Gernot Nerb, economist at Salomon Brothers in London, said: "The growth outlook has improved and the government should find a way to come close to EMU targets."

Bernhard Jagoda, the Labour Office president, said he expected a slight decline in the unemployment figures in March. "In non-construction manufacturing areas, the rise in unemployment was noticeably smaller than overall," Mr Jagoda said. "This could mean that the worst is over in job losses in the manufacturing sector."

Nevertheless, the failure of the construction industry to pick up, despite the mild weather in February, was a disappointment. Most of the 500,000 jobs lost in the previous month had been in construction, but the sector has so far not started rehiring, and remains stagnant, especially in the formerly booming east.

Orders are on the rise, up by 2.4 per cent in January, according to figures released yesterday. Although the consumer market remained stagnant, orders for capital goods shot up by 10.1 per cent, suggesting the economy is about to turn the corner. Boosted by the low value of the German mark, foreign demand for German goods leapt in the same month by 7.3 per cent. A surprisingly sharp rise in business confidence

is being matched by rising capital investment.

According to the German Chambers of Commerce and Industry (DIHT), which also unveiled its "economic forecast" yesterday, growth will not be as strong as the government anticipates. The DIHT expects the economy to expand by 2 per cent this year, half a per cent below official predictions. Of the 25,000 German firms surveyed, only 19 per cent want to increase their investments in Germany, and most of those will be aimed at rationalisation – a euphemism for redundancies.

That will trouble the government, which has pledged to halve the number of jobs by 2000, but not as much as economic underperformance.

Comment, page 21

## Railtrack and freight lobby clash over £16bn plan

Randeep Ramesh  
Transport Correspondent

Railtrack's spending plans have come under attack from freight operators who describe the commitments as "extremely disappointing".

Despite Railtrack's pledge to spend more than £4m a day for the next 10 years on Britain's rail network, freight operators were dismayed by the "lack of detail" in the company's plans.

Lord Berkeley, the chairman of the Rail Freight Group which represents 150 freight operators, complained in a letter to the Rail Regulator that Railtrack's forecasts gave "little technical information and contained virtually nothing of interest to the industry. This offers no reassurance that Railtrack is planning ahead for freight."

Operators say that Railtrack's predictions of rail freight growth are too pessimistic. The privatised monopoly expects

traffic to grow by 2 per cent a year.

This flies in the face of analysis by English Welsh & Scottish, the largest rail freight company in Britain, which calculates that traffic will treble in the next decade. The industry lobby also points out that the Channel Tun-

nel and the ports could add 60 trains a day to the West Coast line.

A spokeswoman for Railtrack said the company's forecasts were a "realistic view of the railways". The company said it was planning a large capacity freight route from the Channel Tunnel

to Scotland that, if realised, could add 1.5 million tonnes-miles to the network by 2007.

Freight operators also claim that Railtrack has failed to provide a list of capacity constrained routes. "We are surprised that Railtrack appears to be saying that it will

only identify bottlenecks when trains start being delayed," said Lord Berkeley.

The Rail Regulator's office said it had received the letter but would not comment for several days. "We will take these concerns into account when we publish our response to Rail-

track's proposals," said a spokesman.

The freight industry is unlikely to be satisfied with anything but a severe reappraisal of the £16bn spending plans. "It is clear that Railtrack's view on freight investment is that if anyone wants it, the Government or the customer must pay for most if not all of the costs," wrote Lord Berkeley.

This is not the first time the freight lobby and Railtrack have clashed. In November last year the industry accused the track and signalling company of hiking up by 300 per cent the costs of the innovative "piggy-back" project, designed to carry lorry units on the railways.

Railtrack also faces criticism from operators using track and signalling outside Euston station in London. Last year, the company was given 12 months to improve track conditions after a derailment. Railtrack failed to meet the deadline and has received a month's extension.

## Unipart buys British Rail's part business

Michael Harrison

The Government last night completed the sale of one of the few remaining bits of British Rail, selling its parts business, Railpart, to the automotive parts group Unipart for an undisclosed sum.

Based in Doncaster and with a staff of 270, Railpart has a turnover of £237m supplying traction and rolling-stock parts for passenger and freight trains. It made a £9.3m profit in 1995.

John Neil, Unipart's chief executive, who led the company's privatisation from BL in the 1980s, pledged to expand Railpart's services into the privatised rail industry.

Railpart supplies and repairs a range of parts, from whole power units to brake pads, hoses and brushes. Its sale had been due to be completed by the end of last year but was held up by haggling over price.

The deal, financed by Royal Bank of Scotland and the Intermediate Capital Group, is Unipart's second foray into the privatised rail industry.

Earlier this year it backed the management buyout of National Railway Supplies (NRS), which services, repairs and distributes products such as signalling and telecommunications equipment. NRS also runs the BR memorabilia shop next to Euston station in London.

"Railpart will be a discrete operation able to draw on the pool of Unipart group experience and competencies to bring increasingly high levels of service to customers," Mr Neil said. He added that together with NRS, Unipart believed it could bring substantial benefits to the rail industry.

John Clayton, the former director of Unipart's Jaguar and London Taxis International business, has been appointed managing director of Railpart.

The Railpart deal virtually completes the fragmentation and sale of BR into more than 80 different businesses. Last month the Government sold the last of the 25 passenger rail franchises.

## Energy Group set for \$100m US takeover

Michael Harrison

Energy Group, the electricity and coal producer, demerged from Hanson last month, is set to make its first significant investment, paying up to \$100m (£62m) for a US power marketing company.

The deal, due to be unveiled next week, is one of several acquisitions being examined by the group, which consists of the regional electricity company Eastern and Peabody of the US, the world's largest coal producer.

The US company that Eastern is taking over is based in Boston and acts as a wholesaler of electricity, matching generators with buyers of power. The deal has been constructed as an earn-out, allowing the company's current owners to maximise their profits from the sale. Energy Group's initial outlay is expected to be about \$60m but this could rise to as much as \$100m depending on the financial performance of the business in future years.

When Energy Group outlined its strategy following the demerger, it said a number of its investments could prove to be "significant", raising fears among investors that it was about to strain its balance sheet by embarking on a spending spree in the US.

But Derek Bonham, Energy Group's executive chairman, was quick to reassure investors that it was only planning smaller-scale acquisitions in the US.

In the UK, Eastern, headed by John Devaney, chief execu-

tive, is also looking at buying further generating capacity. As well as being the country's biggest regional electricity company, with 3 million customers, it is also the fourth biggest electricity generator with about 10 per cent of total capacity, having bought coal-fired power stations from National Power and PowerGen.

However, Mr Devaney has made it clear that the biggest expansion is likely to be into the liberalised gas market. Eastern Natural Gas is already the country's second biggest gas shipper after British Gas and is involved in all three trial areas where the domestic gas market is being opened up to competition, including Kent and Sussex where 900,000 households will be able to choose their supplier from today.

In domestic electricity supply, Eastern is likely to use its own brand name to expand into other areas of the country rather than linking up with retailers, such as supermarket groups once the market is opened to competition from April next year.

The electricity regulator, Stephen Littlechild of Oftec, has announced that competition will be phased in over six months to give the industry time to bed down the very complex computer system needed to enable Britain's 20 million consumers to shop around.

The plan is to begin trials among 2 million households next April, building up to cover the entire country in three further stages.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
FTSE 100	4399.30	+39.20	+0.9	4399.30	3632.30
FTSE 250	4707.50	+28.90	+0.6	4707.50	4015.30
FTSE 350	2174.60	+18.10	+0.8	2174.60	1816.60
FTSE Small Cap	2360.06	+8.94	+0.3	2360.06	1954.06
FTSE All Share	2145.25	+16.93	+0.8	2145.25	1791.95
New York	8963.17	+17.32	+0.2	7067.46	5032.94
Tokyo	1841.33	-232.18	-1.3	2266.80	1793.65
Hong Kong	13416.36	+5.60	+0.0	13888.24	10204.87
Frankfurt	3417.60	+32.61	+1.6	3417.60	3253.36

INTEREST RATES					
Money Market Rates	1 Month	3 Month	6 Month	1 Year	Long Term
UK	6.00	6.68	7.29	7.82	7.39
US	5.38	6.00	6.59	6.04	6.85
Japan	0.41	0.50	2.36	3.19	-
Germany	3.16	3.12	3.67	6.30	6.48

BOND YIELDS					
Index	1 Month	3 Month	6 Month	1 Year	Long Term
UK	6.00	6.68	7.29	7.82	7.39
US	5.38	6.00	6.59	6.04	6.85
Japan	0.41	0.50	2.36	3.19	-
Germany	3.16	3.12	3.67	6.30	6.48

CURRENCIES					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
£/\$	1.6121	+0.0032	+0.20	1.5994	1.5824
£/¥	161.35	+0.25	+0.16	161.35	158.24
DM/\$	2.7704	+1.56	+0.06	2.7704	2.5888
DM/£	1.7186	+0.0021	+0.12	1.7186	1.6780
¥/£	124.13	+0.01	+0.01	124.13	124.13
¥/\$	109.72	+0.01	+0.01	109.72	109.72





Harriet Harman and her team don't like what the Conservatives want to do. So what does Labour propose instead? Leave the present system unchanged seems to be the answer

## Labour is not tackling the basic pension problem

We now know what the Conservatives plan to do about pensions. The more important question, however, is what Labour proposes, for unless there is an extraordinary turnaround, they will be forming the next government. The straight answer, unfortunately, is that Labour doesn't yet know, or at least is rather vague about it, the excuse being that any pension policy will be such a long-term thing that cross-party consensus should first be built around any proposed reform.

Actually, this is so much stuff and nonsense, for pensions and other forms of social security must be one of the few remaining areas of public policy where it should be possible still to see clear blue water between the two main parties. Hardly anything separates them on the economy, no one disagrees much about law and order, both are committed to the National Health Service and on Europe Labour is as divided as the Conservatives (though better at keeping quiet about it). Are we all going to agree about pensions too?

To be fair to Harriet Harman and her team, they are at least clear on one thing: they don't like what the Conservatives want to do. So what does Labour propose instead? Leave the present system unchanged seems to be the answer. This actually isn't such a bad approach as it might seem, for it is a myth that we cannot afford the present arrangements. The fact of the matter is that the level of benefit they promise is so mean that even on present demographic trends, they are easily affordable. Furthermore, the

transition to Mr Lilley's funded basic state pension brings with it a high medium-term cost, which will mean higher taxes or greater public borrowing for a generation or more. The eventual savings claimed by Mr Lilley are also questionable.

None the less, at least the Conservatives are trying to address the problem of how to provide a decent basic pension for all. Labour is not. There is, however, a basic flaw in Mr Lilley's plans, which is that although they promise an eventual level of benefit three-times higher than the present state pension, it is still not enough to live on.

As argued here yesterday, the obvious solution is to abolish the state pension for newcomers to the jobs market altogether and introduce a larger element of compulsory saving than exists through present National Insurance arrangements. In a sense, this is only a more radical version of what Mr Lilley is already proposing, with the added advantage that it carries no cost to the present generation of tax payers.

The irony of it is that Labour would actually find such an approach politically easier to sell to the electorate than the Conservatives.

### Our perception and reality gap with Japan

For the past two weeks Britain's man in Japan, Sir David Wright, has been pounding the rubber chicken circuit, persuading

businesses here to export more over there. With the Japanese economy still barely off the canvas and sterling having appreciated by 20 per cent against the yen since last August, the Ambassador has picked a challenging moment to spread the gospel.

To be fair, things are moving in the right direction. Opportunity Japan, Priority Japan and now the Government's latest snazzy campaign, Action Japan, have tripled our exports since 1987 to £4.3bn and the target for next year is £5bn. Unfortunately, imports have risen too – due in part, ironically, to the vast amounts of capital equipment the Japanese have hauled over here so they can manufacture locally and hence curb their yawning trade surplus. The net result is that the deficit in goods remains stubbornly high.

What can be done to rectify this? Sir David, an energetic fellow and an old Japan hand, reckons that to close the trade gap we need first to close the gap between perception and reality. Outside the European Union and the US, Japan is our biggest export market and it is not just because of their liking for Scotch and Burberry coats. Two thirds of all our exports are industrial goods.

And yet a widespread assumption remains that Japan is a closed market. Increasingly, this is no longer the case. It may be unfamiliar, distant, expensive and time-consuming to penetrate but it is opening up in asset management, insurance and telecoms to name but a few. Japan is even scrapping its

discriminatory taxes on Scotch, while the flow of inward investment here in cars and electronics is providing a channel for goods to travel in the other direction.

Of course, there is an even bigger job to be done in Japan where the temptation must remain to engineer recovery, not through liberalisation of the domestic market but by using the weak yen to fuel an export boom. Sir David can do little about that but as he flies back to Tokyo he can console himself that at least one or two misconceptions have been put straight over here.

### Germany would not allow Italy leeway

So Germany may meet the Maastricht criteria after all. The latest, better-than-expected, German jobless figures have raised hopes that EMU is back on course after a prolonged bout of nerves.

But EMU watchers who hang on every move in German statistics are missing the point. Germany's performance relative to the Maastricht criteria is far less important to the prognosis for a single currency than the gap between the German and Italian economies.

Even with the latest figures taken into account, Germany will have difficulty meeting the Maastricht criteria on borrowing and debt. Admittedly, unemployment seems to have peaked, growth in the last quarter of

1996 wasn't as bad as expected, and new orders have bounced upwards strongly – particularly for exports. Nevertheless, there are still 4.3 million people out of work, squeezing tax revenues and pushing up the public spending bill.

But government determination, spending cuts, tax increases or simply a few accounting tricks, could bring German borrowing very close to the 3 per cent borrowing criterion. In which case, a liberal interpretation of Maastricht – a fudge if you like – could allow Germany to form the anchor of a single currency in 1999 after all.

But there's the rub. A little bit of fudge is fine when only Germany is involved. Decades of respectability, prudent public finances and hawkish monetary history still count for something. No one seriously doubts Germany's ability to cope with the strict monetary discipline of a European Central Bank.

But what if a fudge for Germany lets the Italians in too? So long as it is still possible to keep the Italians out, the German public might be persuaded to swallow a Maastricht fudge. But if leeway for Germany is wide enough to let Italy in too, then the German public could yet reject the entire project. If German borrowing is 3.1 per cent this year, but Italian government borrowing hits 4 per cent, then expect a narrow-based EMU in 1999. But if German borrowing squeezes in at 3.5 per cent, then there could be trouble.

Retail: Results soar at profit-sharing group ■ Up-market furniture stores come to market ■ Sales lower than expected, says CBI

## Bumper bonuses for John Lewis staff

Nigel Cope

The 36,000 staff at the John Lewis Partnership will receive bonuses worth 10 weeks pay after the department store and Waitrose supermarket retailer reported record profits.

The payouts are worth 20 per cent of salary and are the highest paid by the group since 1988-89, the last year of the 1980s consumer boom.

The bumper bonuses are the result of a hugely successful 1996 at John Lewis, where profits soared by 45 per cent to

£217m. Sales at the 23 department stores were 13 per cent ahead while those at Waitrose were 11 per cent higher.

Stuart Hampson, chairman, who will be paid the same percentage bonus as everyone else, said he was delighted at the performance but warned against over-optimism.

"The growth in our sales and profits should not be interpreted as a proof that an Eighties-style consumer boom is upon us," he said. "Although there is clear evidence that there is more money in the pocket, it is

being spent with caution and with a particular eye for value."

He said furnishings sales had been particularly strong, boosted by the recovering housing market, while Waitrose had done well in an increasingly competitive food retail sector.

Mr Hampson singled out the John Lewis ownership structure as a mainstay of its consistent performance. "Our results show the benefits of a business that shares its profits with its staff. I can sit up here on the 12th floor having good ideas but if a salesperson is snapping at a cus-

tomers on the sales floor then your reputation has gone. That extra bit of care makes all the difference."

He added: "It is one of the reasons I am so cross with the Chancellor about the phasing out of tax relief on profit-related pay. He is undermining something that is a route to competitiveness."

Analysts say that as well as its reassuring "Never knowingly undersold" price promise and its huge range of choice – there are 1,000 types of zip and 2,000 types of button on offer – the

partnership structure has always underpinned John Lewis's smooth progress.

Every member is given an induction course on the structure of the company upon joining. All stores open half an hour later one day each week so that staff can hold "communications meetings" where problems and ideas are discussed.

Each store elects representatives to the branch council which is kept informed of all financial affairs. The council meets six times a year with 80 per cent of the 137 seats taken

by staff representatives and the rest by senior management.

The result, experts say, is better customer service and greater loyalty. Almost a third of John Lewis staff have worked for the group for more than 10 years. Over 3,000 – almost 10 per cent – have put in over 20 years service.

John Lewis sales were 12 per cent higher last year at £3.2bn. The results were boosted by the first full year of the Cheshire store in Cheshire. It is due to open branches in Glasgow and Bluewater in Kent in 1999.

## High street stays subdued in February

Yvette Cooper

Shopping was subdued last month, according to the latest survey from the UK's leading employers' association. The Confederation of British Industry's monthly Distributive Trades Survey showed retailers reporting lower sales than expected in February, with only a few sectors experiencing strong growth. Companies have also revised their price expectations downwards.

The survey showed that 47 per cent of retailers reported higher sales in February 1997 than in February 1996. Some 23 per cent of companies said monthly sales were lower than a year ago, leaving a positive balance of 24 per cent. The balance has fallen to its lowest level since November 1995, and is lower than companies had expected last month. Dharshini David of HSBC Markets said: "On the face of it, these figures suggest that retail sales will be subdued in February; in no way are we seeing consumer activity spiralling out of control."

Orders are even more subdued, according to the survey, with only 33 per cent of retailers reporting higher orders than

a year ago, and 24 per cent reporting lower orders, leaving a positive balance of only 9 per cent – considerably lower than during the last few months.

However, the results look gloomy in part because sales and orders were so strong a year ago. Kevin Adams of BZW said: "In February 1996, retailers felt pretty good about things. The first wave of maturing Tescos boosted sales, and official statistics showed that volumes rose by 1.1 per cent in the month. This February was never going to be as good."

Price pressures are particularly subdued. The balance expecting price increases fell to 33 per cent in February compared to 51 per cent last October. Alastair Eperon, chairman of the CBI's Distributive Trades Survey panel said: "Price competition continues to be intense with retailers reporting the smallest annual increases in prices since August 1995."

Wholesalers' sales volumes rose in February by more than expected. Booksellers and stationers, grocers, confectioners, chemists and furniture and carpet retailers all saw market growth in sales compared to a year ago.

## Heal's to raise £12m in float

Nigel Cope

Heal's, the upmarket home furnishings retailer, will raise £12m from its stock market flotation later this month, though it will only receive £1.75m of new money.

Around £8m of the funds will go to repay in full the investment of NatWest Ventures, while five managers led by Colin Pilgrim, chief executive of Heal's, are selling shares worth £1.5m. Mr Pilgrim led the management buyout of Heal's from Storehouse in 1990.

Heal's pathfinder prospectus, published yesterday, showed that the retailer achieved operating profits of £1.5m in the 20 weeks to 1 February. Like-for-like sales were 16 per cent ahead of the same period last year with the winter sale the most successful since the management buyout.

Full year profits last year were £1.8m on sales of £19.4m. Heal's has three stores, on London's Tottenham Court Road and King's Road, and in Guildford, Surrey. The company plans to



Furnishing a flotation: John Davis, Heal's merchandising director, Colin Pilgrim, chief executive, and Paul Clark, finance director

use the float proceeds to invest in its existing stores and develop a larger portfolio.

Customer footfall has increased by 26 per cent since 1991 to 1 million. Sales per

square foot have increased by 52 per cent to £354.

Heal's plans to develop more stores in affluent shopping areas of Britain, focusing on metropolitan centres such as Glasgow,

Dublin and Manchester. It will also open slightly smaller branches of 12,000 square feet in provincial towns. The company declined to give a time-scale of possible openings.

Heal's was founded in 1810 and has operated from its current Tottenham Court Road site since 1840. It was acquired by Habitat in 1983. The Guildford store opened in 1971 and

the King's Road branch in 1995. The group has a distribution centre in Edmonton with adjacent workshops for the manufacture of Heal's beds, still one of the group's best selling lines.

## Officials get blame for Littlechild price turmoil

Chris Godsmark  
Business Correspondent

Treasury civil servants were attacked yesterday by a Commons committee over their role in the controversy surrounding the review of electricity price controls two years ago which knocked billions of pounds off share prices and outraged investors.

However, the long-awaited report by the Commons Public Accounts Committee largely exonerated the role of Government ministers in the affair, instead blaming their officials for failing to tell them that the electricity regulator, Professor Stephen Littlechild, was intending to look again at price controls affecting regional power suppliers.

Professor Littlechild stunned investors in March 1995 when he announced that he would undertake a second review of the price regime, following criticism that the price controls imposed the previous year had been far too lenient.

The regulator's announcement came just after the Government completed the £4bn sale of the first instalment of shares in its remaining stake in the two electricity generators, National Power and PowerGen. News of the price review plunged the markets into turmoil, knocking £3.5bn off electricity share prices and leaving institutional investors with huge paper losses.

Furious ministers claimed Professor Littlechild had misled them over the timing of the price review announcement. Senior ministerial sources admitted they had prior knowledge of the review, but had no idea it would be announced so soon after the share offer.

The Public Accounts Committee said yesterday that Treasury officials had known about the possibility of a review of the price controls but failed to alert ministers because they did not believe the issue was relevant to the generators' offer.

The report said the Committee regretted "that ministers

were not consulted further before the final decision was taken by Treasury officials to proceed with the sale."

However, the Committee stopped short of calling for changes to the rule that regulators of privatised utilities should not make price-sensitive announcements during share offers. Big City investors were concerned during the share sale that Professor Littlechild had informed the Government of his intentions just one working day after the closing deadline for share applications.

The Treasury had argued in evidence to the Committee that it "could not have been anticipated" that the financial markets would interpret that Professor Littlechild's move, which affected regional electricity companies, would have any knock-on impact on generating companies which are not subject to the same price controls.

The report agreed that Treasury officials had "learned lessons from previous sales".

## Parsons disposal knocks Rolls-Royce into the red

Michael Harrison  
and Chris Godsmark

The aero-engine manufacturer Rolls-Royce yesterday said it expected to complete the disposal of its Parsons steam turbine business in a matter of weeks as it plunged into the red because of heavy losses in the division.

Exceptional charges of £263m to cover Rolls' withdrawal from the large steam power generation business turned a £175m pre-tax profit in 1995 into a £25m loss for last year. The turbine division, which employs 2,000 at the Parsons plant in Newcastle and International Combustion Limited in Derby, was put up for sale last summer and has attracted interest from Siemens of Germany and General Electric of the US.

"There has been a good level of interest in the businesses and we are in discussions with various parties," said John Rose, Rolls' chief executive. "I am sure we will end up with a solution for both businesses but we are some weeks away."

However the talks have become bogged down over price. Industry sources suggested that bidders had been concerned at Parsons' declining order book. Rolls-Royce recently pulled out of bidding for a huge power station contract in India as it winds down Parsons' operations.

The original internal deadline for the sale had been the end of February. Siemens is believed to

have indicated to Rolls-Royce in January that it might be prepared to pay around £30m for Parsons. Mr Rose said that obtaining the best result for shareholders was Rolls' paramount concern but it also wanted to dispose of the businesses in such a way as to maximise employment prospects.

Leaving aside the businesses being disposed of, Rolls increased operating profits by a third to £242m, helped by increased demand for engines from civil airlines and a full year's contribution from its US military engines business, Allison.

Mr Rose said Rolls expected to increase civil engine deliveries from 400 last year to 450 this year, increase the workload at its Derby and Bristol factories by 30 per cent and take on about 400 staff.

The group's order book stands at £7bn and it is working with GE and Pratt and Whitney on engines for the US Joint Strike Fighter, a programme which could eventually be worth £150bn (£93bn).



John Rose: In discussions with Siemens and GE

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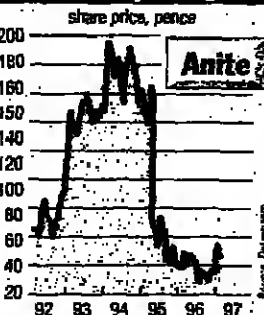


## market report / shares

## Data Bank

FTSE 100	4399.3	+39.2
FTSE 250	4707.5	+28.9
FTSE 350	2174.6	+18.1
SEAO VOLUME	885.4m shares	
56,944 bargains		
Gilt Index	n/a	

## Share spotlight



## Greenspan's comments push Footsie to another high

## MARKET REPORT

PATRICK TOOHER



The FTSE 100 just failed to cling on to the 4400 mark but still managed to close at a record high for the third day in a row, up 39.2 at 4399.3. The second and third-line indices also scaled new peaks.

Wall Street again provided the main impetus with the Dow Jones threatening to break back through the 7000 level in early trade, spurred on by comments from Federal Reserve chairman Alan Greenspan that share prices looked fairly valued.

Although the euphoria was somewhat tempered ahead of today's key US jobs data, a generally favourable flow of results also helped sentiment on one of the busiest days of the year for scheduled company announcements.

Glaxo Wellcome had an eventful session, rebounding from early losses as analysts took a positive view on pros-

pects following an upbeat presentation from the drugs giant. Its shares closed 14p higher at 1049p in a heavy volume of 24.3 million shares, making it the most active stock.

Also in demand was Rolls-Royce, which topped the list of blue-chip performers after the aero-engines group posted its first dividend increase since the dark days of the 1991 recession. BTR was up 7p at 259.5p on its results and Mercury Asset Management jumped 31.5p to 1410p on bid hopes and the prospect of benefiting from any change to state pensions.

Ladbroke climbed 11p to 236p after its full-year results came in at the top end of analysts' expectations. Apart from an encouraging rebound in its betting shops, there was relief that Ladbroke had yet to enter the fray for Capital Corporation, the owner of Crockford's casino under siege from

London Clubs. Rank, another possible bidder for Capital, rose 5.5p to 435.5p on a report that Michael Green's Carlton and Michael Grade's First Leisure were poised to mount a break-up bid.

Analysts said such a deal would give Capital, 7p lower at 536.5p, big regulatory problems because it would end up owning all of the UK video duplication market.

Manchester United scored a 10p gain to close at 657.5p as investors celebrated the team's 4-0 drubbing of FC Porto in the European Cup.

But an uninspiring 1-1 home draw against Blackburn in the

Premier League dented Chelsea's European ambitions and sent shares in AIM-listed Chelsea Village, the parent company, 6.5p lower at 120p. A month ago they were 170p.

Deafening in Mosaic Investments, the cash-rich vehicle for financier David Williams, were suspended at the company's request. Mosaic confirmed it was in talks to buy Bolton Wanderers, leaders of the Nationwide First Division, after a report suggested a £25m deal was on the cards. Mosaic's shares had risen 5.5p to 51.5p before trading was halted.

Yet another director has bought shares in Enap, up

21.5p at 768.5p. This time it was none other than Tim Moloney, the chief executive of the consumer magazines division, who was rumoured, inaccurately, to be following managing director David Arculus through the revolving door. Mr Moloney shelled out just over £5,000 for 688 shares on Tuesday.

Cray used to be a four-letter word in electronics circles until it changed its name to nice, anonymous-sounding Anite. It doesn't take a rocket scientist to work out why Cray, sorry, Anite, wished to draw a line under a far-from-illustrious past. A series of profit warnings and wholesale board changes culminated in a £19.4m loss last year and the shares, over 200p in 1994, hit a rock-bottom 27p.

But a series of disposals, most recently the sale of half the communications division, means Anite is no longer ex-

posed to hardware manufacturing – the source of so many of its woes. A £20m provision has been made to cover surplus empty properties bought at the top of the market in the late Eighties. All this has transformed the balance sheet, which now boasts net cash of £17m, though shareholders' funds have been as good as wiped out.

Nevertheless, broker Teather & Greenwood reckons the shares could reach 95p in two years' time if forecast profits of £14.5m are hit.

Software stocks continued to soar on hopes of a business bonanza from defusing the computer time-bomb which is expected to hit in 2000. Mays advanced 27.5p to 1042.5p, Micra rose 10p to 1042.5p, other 60p at 1212.5p while Parity, which reported figures this week, gained 10p to 507.5p.

Takeover talks between Enterprise Inns and Discovery Inns are progressing well, according to industry sources. They say an agreement is only weeks away though Enterprise will need to organise a hefty rights issue to fund the £50m-plus deal. Shares in Enterprise closed unchanged at 266p, valuing the pub chain at £126m. Discovery pulled its flotation in December due to adverse market conditions.

Over 17 million shares changed hands in Wiggins, 0.5p firmer at 10.5p, as the property group presented its case for buying out its minority shareholders. The volume was the biggest seen outside the FTSE 100 index. Wiggins has made an agreed £16.5m offer for the 75 per cent of the shares it does not already own.

## Taking Stock

## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: 1. Six rights: a £5 dividend at £5 all in United Securities Market & Suspended up Parity Paid p.m. Nil Paid Shares: 2 AM Stock. Source: FT Information

## The Independent Index

The index allows you to access real-time share prices by phone from London Stock Exchange. Simply dial 0991 233 335, and when prompted to do so, enter the 4-digit code printed next to each share. To access the latest financial reports dial 0991 233 335 followed by one of the two-digit codes below.

FTSE 100 - Real-time	09	Swing Rates	04	Privatisation Issues	35
UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	Tokyo Market	21	High Street Banks	41

Anyone with a line-dial telephone can use the service. For a detailed description of the Independent Index, including its portfolio facility, phone 0991 233 335. For assistance, call our helpline 071 573 4787 (9.00am - 5.00pm). Daily cost 50p per minute. Call charges include VAT.

## Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
Glaxo Wellcome	24,300,000	Rolls Royce	24,300,000	Ladbroke	50,000	BT	70,000
Glaxo Wellcome	24,300,000	Rolls Royce	24,300,000	Ladbroke	50,000	BT	70,000
Glaxo Wellcome	24,300,000	Rolls Royce	24,300,000	Ladbroke	50,000	BT	70,000

## FTSE 100 index hour by hour

Open 4385.8 up 25.7	11.00 4387.4 up 27.3	15.00 4400.0 up 39.9
09.00 4386.2 up 26.1	12.00 4394.8 up 34.7	16.00 4398.1 up 38.0
10.00 4392.9 up 32.8	13.00 4395.3 up 35.2	17.00 4398.3 up 38.2

Stock	Price	Chg	Vol	Stock	Price	Chg	Vol
BT	700.00	0.00	70,000	BT	700.00	0.00	70,000
BT	700.00	0.00	70,000	BT	700.00	0.00	70,000

Stock	Price	Chg	Vol	Stock	Price	Chg	Vol
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BT	700.00	0.00	70,000	BT	700.00	0.00	70



# Asbestos-related charge takes shine off Royal & Sun profits

Jim Treanor

Royal & Sun Alliance's first set of profits figures since last year's merger were marred by a £167m charge for asbestos and environmental claims in the US. The announcement yesterday took the shine off its plans to buy back £350m worth of shares.

The insurance group also incurred a higher-than-expected cost of £201m for integrating the previous Royal Life and Sun Alliance businesses. Analysts had expected a figure closer to £175m, the sun the management expects to achieve in cost savings each year once the integration is completed. Royal & Sun also took a £32m charge to compensate for the recent strength of sterling.

Overall, Royal & Sun reported pre-tax profits before exceptional items of £706m, down from £915m in 1995. The 1996 figure includes the cost of the asbestos and currency provisions but excludes the cost of integrating businesses. Pre-tax profit fell to £648m from £1,033m.

However, the group is paying a total dividend of 19p per share, in line with its forecasts when it announced its merger late year.

"We are well on target to achieve the objectives we set ourselves for the integration period up to the end of 1997," said Roger Taylor, deputy chairman.

Part of its plan was to appoint a new non-executive chairman from outside the group and yesterday it announced that Patrick Gillam, chairman of Standard Chartered Bank, would take on the role. "I have every confidence in Mr Gillam, who has extensive international experience



'On target': Roger Taylor, deputy chairman of Royal & Sun Alliance (right), and Richard Gamble, chief executive

in covering a range of businesses, particularly in relation to financial services," Sir Christopher Benson, chairman of Royal Sun Alliance, said.

Royal & Sun has laid off 1,500 of the 5,000 staff it said would lose their jobs as a result of the merger. The insurance group said most of the remaining staff now knew their fate and many of those lined up for redundancy were in management positions

who still had roles to play during the integration phases.

"The integration is progressing very well indeed, especially on the staffing front. The staff know now where they stand and the important thing is that we're continuing to retain business," said Richard Gamble, chief executive of Royal & Sun.

Its decision to take a £167m charge as a result of changes in

reserving practices for US asbestos and environmental liabilities follows a similar move by Eagle Star, a unit of BAI, to take a £160m provision to cover the likely cost of old pollution claims.

Royal & Sun said it was taking the charge because the methodology of calculating these asbestos and environmental liabilities had improved. Of the £167m charge, £117m is

related to the old Royal Insurance subsidiary in the US.

Overall, improved profits in its Canadian and Scandinavian businesses were offset by a reduction in profits in other areas.

In the UK, profits in its general business fell to £326m from £453m, as a result of an increase in the frequency and average cost of personal lines claims and the continuing intensity of competition. Mr Gamble said,

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

# Glaxo can adapt to life without its wonder-drug

Glaxo Wellcome, easily the UK's leading drugs group since the 1995 merger with Wellcome, was doing its best yesterday to reassure investors that the world does not end with Zantac. The basic US patent for the anti-ulcer wonder drug, which propelled Glaxo's phenomenal growth in the 1980s, expires in July.

On what Sir Richard Sykes, chief executive, sees as a worst-case outlook, that could result in sales of its best-selling drug collapsing by up to 80 per cent in the following 12 months, equivalent to nearly a fifth of last year's turnover for the whole group.

But, as Sir Richard was at pains to point out, competition from rival drugs and the dilutive effect of adding the Wellcome portfolio has been steadily reducing the importance to the group of Zantac. Competition shaved £324m from the drug's sales last year, leaving them at £1,936m, representing just 23 per cent of the total, down from a half at the beginning of the decade.

Total sales of new products launched since then, such as Imigran for migraine and Epiriv for AIDS, have overtaken Zantac and will eventually take up the running. But despite the 50 per cent growth rate chalked up by the new products in 1996, the decline of Zantac will continue to be the main feature of Glaxo's results for the next two years.

So while Sir Richard's aim of producing low single-digit sales growth and at least maintained earnings looked uninspiring at first sight, in fact it should give some reassurance to bears who had been forecasting earnings declines up to the end of the century. There is of course plenty that can go wrong for Glaxo between now and then.

Currency and the speed and extent of generic competition to Zantac will be crucial. Meanwhile, the group is warning that last year's chunky margins, up from an underlying 33.1 to 37.5 per cent on the back of Wellcome rationalisation, will fall two points as the marketing push behind new products is stepped up.

Even so, sentiment was moving in Glaxo's favour yesterday. Integrating Wellcome, which delivered £150m of savings last year, still has further to go on the manufacturing side. But

what excited analysis was Glaxo's forecast that sales growth by 1999 should be back in double digits. Last year's like-for-like 6 per cent sales rise becomes 14 per cent when Zantac is stripped out. As Zantac becomes less important and another 20 products are launched between now and 2000, that underlying figure should assume greater importance.

So, even if this year's profit dip slightly to £2,849m, the shares, up 14p at £10.49 on a forward p/e of 19, are probably at an unjustified discount to rivals like Zeneca and SmithKline Beecham. Hold.

## BTR is a dog without bite

BTR has proved a real dog of an investment over the past three years, underperforming the FT All Share index by a thumping 45 per cent. What the City is hoping for is a recovery and rerating prompted by the streamlining strategy of Ian Strachan, who joined as chief executive from RTZ last year.

After ruling out any merger, his plan is to sell the poorly performing operations and concentrate on higher-margin businesses that have market leadership. So far the plan is running to schedule, with £1,750m worth of businesses sold and the £500m rump expected to be shifted by the end of this year.

The only problem is that a

turnaround of this rather boring conglomerate is likely to be measured in years rather than months. Analysts reckon resuscitating BTR is a two to three-year task so shareholders who have seen their shares lose more than a third of their value since their peak in 1993 will have to be patient.

Yesterday's full-year results showed the impact of the pruning. Pre-tax profits for the year to December slumped from £1,060 to £679m due to £222m of restructuring charges. As forecast, the dividend was cut to 9p from the previous 14.7p.

The main problem area was in the automotive division, where profits were 11 per cent down due to start-up costs in a North American factory and difficult trading conditions in Europe. Power drives and process control, two areas BTR sees as core businesses, showed the best profits growth at 9 per cent and 10 per cent respectively.

Looking forward, much will depend not just on market conditions but management's ability to change the culture of the BTR behemoth to one of longer-term investment and growth. On analysts' forecasts of £1,350m for this year the shares, up 7p at 259.5p yesterday, trade on a forward rating of 12. Inexpensive but unexciting.

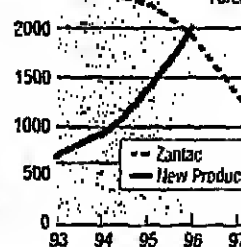
## Glaxo Wellcome: At a glance

Market value: £37.2bn, share price £10.49					
Five year record	92	93	94	95*	96
Turnover (£bn)	4.10	4.93	5.86	7.64	8.94
Pre-tax profits (£bn)	1.43	1.68	1.84	2.51	2.96
Earnings per share (pence)	34.3	39.9	42.7	50.3	56.7
Dividends per share (pence)	17.0	22.0	27.0	30.0	34.0

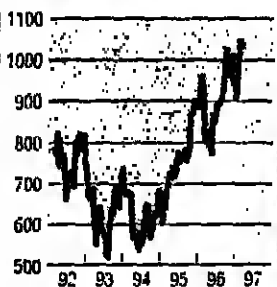
\*12 months figures, Pre-Wellcome restructuring costs. After changed year end

## The decline of Zantac

Sales (£m)



## Share price (Pence)



## IN BRIEF

### 12 per cent switch from British Gas

More than 112,000 households have signed up to switch from British Gas in the latest phase of domestic competition trials, which start today in Kent and Sussex. The advanced orders mean 12 per cent of customers have moved from British Gas out of 900,000 households taking part, making this by far the most successful start in a trial area. In the South-west of England about 6 per cent of customers signed up to switch in advance. But two independent suppliers yesterday both claimed to have won the most customers. ScottishPower said it had 50,000 households, while Beacom, a joint venture involving the local electricity company, Seaboard, insisted it was the biggest independent with 40,000 customers. Across all the trial areas almost 250,000 homes have switched out of 2 million taking part.

### Barlow move boosts Bibby shares

Shares in J Bibby rocketed from 128.5p to 181.5p on an announcement that Barlow was looking to buy the outstanding 21.1 per cent of the diversified industrial group it does not already own. At yesterday's closing price, Bibby has a stock market value of £284m.

### Arjo Wiggins forecasts upgraded

Analysts were upgrading forecasts for Arjo Wiggins Appleton yesterday after the Anglo-French paper and packaging group turned in 1996 figures ahead of expectations. Underlying profits before exceptional items dipped from £207m to £144m in the 12 months to December after two years of declining pulp prices. But management, led by Philippe Beylier since his appointment as chief executive on Wednesday, won praise from the City in cutting working capital by £204m last year. "The management's actions are bearing fruit... we think we have left our worst days behind," Mr Beylier said. Arjo warned that another 6 per cent of its employees would be cut this year as part of plans to save £50m by 1998.

### Hillsdown holds on to Fairview

Hillsdown Holdings, the food to furniture, yesterday ruled out the sale of its non-food interests, despite City pressure to divest the Fairview New Homes housebuilding operation. George Greener, who took over as chief executive last year, said there were no plans to sell Fairview, which had demonstrated that it was not affected by the cyclicality of the housing market. Following a review, Mr Greener has identified businesses in strong market positions and those which are less strong, but he said the group aimed to manage the entire range using economic value measures as a yardstick to improve performance. The comments followed news of a 10.5 per cent increase in pre-tax profits to £151m for last year despite the continuing adverse impact of mad cow disease.

### Tourists return to Le Shuttle

Eurotunnel said Le Shuttle carried 40,381 more tourist vehicles in February than in January, an increase of almost 49 per cent. The total was also 5.5 per cent higher than in February 1996. Despite reduced capacity because of last year's fire, Le Shuttle Tourist has recovered 80 per cent of the market share achieved last October. Through-train traffic is also increasing, with Eurostar up by 31 per cent compared with February 1996 and by 27 per cent compared with January 1997, and rail freight up 15 per cent compared with February 1996 and 18 per cent compared with January 1997.

### Telewest to use canal network

Telewest Communications has signed a 20-year contract to lease cable infrastructure using Fibreway's UK canal network between London, Woking, Birmingham, Sheffield, Leeds and Warrington. Fibreway, which is part of GPT, is building a nationwide optical-fibre link along canals in the UK, in collaboration with British Waterways, which maintains 2,000 miles of canals. Building will start this month and completion is expected early next year.

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
Arjo Wiggins (P)	3.6bn (3.6bn)	1.34bn (1.2bn)	10.2p (2.3p)	7.5p (7.5p)
BTR (P)	2.32bn (2.72bn)	672m (1.1bn)	18.7p (25p)	9.6p (14.6p)
Castrol (P)	1.8bn (1.8bn)	550m (1.68bn)	117p (118.5p)	8.6p (8p)
Centrica (P)	6.5bn (6.2bn)	0.82bn (0.42bn)	0.39p (0.32p)	0.5p (0.5p)
Glaxo (P)	3.2bn (2.9bn)	362m (322m)	65p (53.9p)	26.5p (24p)
Glaxo Wellcome (P)	9.3bn (7.7bn)	2.98bn (1.25bn)	56.7p (50.3p)	34p (30p)
Hambro Countrywide (P)	-	30.8m (3.89m)	8.42p (2.16p)	2p (2p)
Hillsdown Holdings (P)	3.2bn (3.5bn)	1.29bn (1.2bn)	13.5p (14.8p)	10p (9.5p)
Imperial (P)	18.3bn (18.4bn)	0.94bn (1.42bn)	6.3p (6.3p)	2.5p (7p)
Leisure (P)	3.8bn (3.8bn)	59.2p (121m)	10.44p (11.46p)	6.2p (8p)
Ludlow (P)	17.2bn (17.2bn)	1.62bn (1.22bn)	7.68p (5.86p)	3.8p (3.4p)
Marshall (P)	1.2bn (87.2m)	15.5m (15.5m)	21.1p (23.5m)	15p (13.5p)
More Bros (P)	1.2bn (1.2bn)	83.2m (32.9m)	28.5p (10.4p)	15.2p (14.33p)
Ocean Group (P)	15.8bn (17.6bn)	0.71m (0.13bn)	1.13p (2p)	0.2p (2p)
Prentice Hall (P)	32.5bn (31.1bn)	3.85bn (3.7bn)	5.51p (4.88p)	nil (2p)
Shopton Group (P)	-	-	-	-

(P) - Profit (L) - Loss (M) - Millions (B) - Billions

# RBS puts £150m into mezzanine financing

Jim Treanor

Banking Correspondent

Royal Bank of Scotland is putting £150m into a new business that will offer mezzanine financing, often used to fund management buyouts and buy-ins.

Leith Robertson, managing director of RBS Mezzanine, the new venture, said the bank would consider bringing partners into the project but said it was "not really" in talks with any interested parties.

Mr Robertson, who has run the bank's acquisition finance unit since 1993, intends to recruit two executive directors for RBS Mezzanine and up to three support staff.

"The Royal Bank has a successful history of growing new businesses to meet specific market needs and, knowing the debt market as we do, we have identified a demand for these types of specialist products in deals of £20m or more," he said.

Mezzanine finance is used to plug the gap between traditional debt or equity funding. It is more leveraged than debt and usually makes up only a small proportion of any deal. A management buyout worth £100m would typically comprise £50m of debt and £40m of equity with the remaining £10m coming from mezzanine finance.

"Mezzanine, in its broadest

sense, has become an increasingly used tool since the advent of leveraged acquisitions in the late Eighties, but our announcement marks an expansion in the range of debt products available to our customers," Mr Robertson said. He expects the mezzanine loans to be of a duration of eight to 10 years.

RBS will compete for business with established providers of mezzanine finance such as Intermediate Capital Group, which last year noted that as banks were becoming increasingly cash-rich they were more willing to lend more traditional forms of debt in place of what might have been mezzanine finance.

# House sales record for Hambro

Jim Treanor

Banking Correspondent

Hambro Countrywide announced yesterday that it sold more houses in February than at any time during the height of the 1980s property boom.

The announcement accompanied results showing that the company made a record £30.8m of taxable profits in 1996, a stark contrast to the £3.9m of losses incurred the previous year and 23 per cent higher than the old record of £25m set in 1987.

Harry Hill, managing director of Hambro Countrywide, said the group sold 12,000 houses in

February, 26 per cent more than the same month in 1996.

"March started extraordinarily well too," he said, painting a bullish outlook for this year. Hambro Countrywide, 52 per cent owned by merchant bank Hambros, yesterday made its first push into the buoyant London housing market by buying Faron Sutarra, an estate agency and letting business, for £7.45m.

The deal had been struck after just six weeks after a "chance" meeting, Mr Hill said. Faron Sutarra would open four more offices across London this year with a further five or six the following year, he said.

He also hinted at further acquisitions, particularly of lettings businesses that can provide steady income streams than estate agencies. However, he said Hambro Countrywide was talking to any potential targets.

Mr Hill said Hambro had "pinched other people's business" last year as its businesses increased by 28 per cent compared with a 9 per cent rate of increase across the UK housing market generally.

Its mortgage advisers and financial products consultants based in estate agents sold a record 25,729 mortgages, a rise of 72 per cent on 1995.

# GKN may have to slash profits to pay US damages claims

Chris Godsmark

Business Correspondent

GKN, the car components, aerospace and pallet hire group, yesterday warned it could have to slash its profits for last year to take into account huge damages claims from a US court action.

The group has so far resisted making a formal charge in its accounts to reflect the legal claim brought by 1,000 garage owners who run franchises for its American car exhaust business, Mienette Discount Muffler Shops. They alleged GKN had defrauded them by making illegal commission payments to its in-house advertising agency.

Before Christmas a jury in Charlotte, North Carolina, stunned investors by recommending that GKN pay damages of up to \$554m (£334m), though the judge has recently indicated he may reduce the final figure by a third.

Yesterday GKN reported record annual pre-tax profits for 1996 of £362.8m, up 13 per cent on 1995. However CK Chow, the new chief executive, said the court was expected to decide final damages before the accounts were signed off on 4 April. In this case the figure would have to come off the group's profits, though GKN has already pledged to appeal against the ruling.

However he played down the importance of the case. "It's not something I expected but that's the deck of cards I was dealt. Our financial resources are so strong that it has no material impact on the overall direction of the group," GKN's net cash pile doubled last year to £334m.

Mr Chow, recruited from the industrial gases group BOC, also said he was exploring several expansion plans, including joint ventures or acquisitions at the Westland helicopter busi-



Expansion plans: CK Chow, chief executive (left) and David Turner, finance director, are eyeing acquisitions

ness. He said there were "rich opportunities" to expand the £30m annual sales of Westland's aerospace components division. Aerospace profits rose from £65m to £85m last year.

He said GKN was also eyeing further investment opportunities in emerging markets in Asia and South America. The group

spent £96m last year on acquisitions and invested £135m, with similar capital spending likely this year.

The strategic review under Mr Chow, which GKN said would emphasise "entrepreneurship," boosted the company's shares. They ended 18.5p higher at 974p.

# CHEL TENHAM

## ALL THE FESTIVAL FORM IN MONDAY'S BUMPER

### The Sporting Life



## business

## Ladbroke may trump casino bid

Clifford German

Peter George, Ladbroke's chief executive, is "watching carefully" the progress of the bid by London Clubs for Capital Corporation, owner of Crockfords casino. He left little doubt that Ladbroke could easily trump London Clubs' £80m bid, pointing out that the company had £80m worth of long-term borrowing power in reserve.

Analysts said that Ladbroke's share price, which rose 11p to 236p yesterday, was strong enough to mount an all-paper offer or even justify a rights issue to fund a deal.

But the exceptional costs of closing the property division, setting the long-running rent dis-

pute over the Paris Hilton, repaying to Sainsbury's the £1.4m it was judged to have overpaid for Texas Homecare in 1995, and sundry other outstanding items have obscured a strong profit recovery in the hotels and betting shops businesses.

After allowing for a swing from exceptional profits of £23m in 1995 to exceptional costs of £83.5m in 1996, the company announced yesterday that annual pre-tax profits fell 38 per cent to £59.4m.

Operating profits rose 7 per cent to £235m in spite of a slump in the contribution from commercial property, which fell from £23m to virtually zero. The tax charge came down from 27 per cent to 25 per cent,

net debt came down £315m to £708m, and the interest charge fell 27 per cent to £70.1m. The dividend is being raised 3 per cent to 6.2p.

Most of the improvement in operating profit last year came from the UK, which increased its share of the group total from 34 to 60 per cent. The hotels division contributed £180m, an improvement of 6 per cent, but allowing for the sale of the Langham Hotel the underlying improvement was 20 per cent. Occupancy rates and room rates both rose.

Profits rose in London and the provinces in spite of the strength of sterling, which has made the UK a more expensive place to visit. Overseas the im-

provement was less marked with a £3.5m provision for exchange rate changes.

Seventeen new hotel deals were signed last year and the deal with Hilton Hotels Corporation reuniting the Hilton name worldwide through joint reservation and a worldwide loyalty scheme is expected to pay off in 1997.

Betting and gaming did even better, bouncing back from the depression caused by the competition from the national lottery in 1995. Profits rose 46 per cent to £84.9m. Two-thirds of that came from the betting shops, while Vernons staged a modest recovery to make £5.8m in spite of a 30 per cent fall in turnover, but reduced spending

by some of the high-rollers saw the contribution from casinos fall back to £5.3m.

Capital expenditure increased by a quarter to £137m. Spending on the betting shops rose to £13m, and about half the 1,200 strong chain has been renovated, taking advantage of the deregulation of betting and the ending of the old rules requiring betting shops to have anonymous shop-fronts.

The idea is to let in more light, advertise a wider range of things to bet on, including the newly legalised numbers games and slot machines, and generally demystify the rituals of betting to attract the rapidly rising numbers of women who are having a flutter.

## Patent pending on sunshine prescriptions?

## PEOPLE &amp; BUSINESS



John Coombe: Just an animal, after all

he will be travelling a lot between London and Paris. Where he will stay in the end, we don't know.

Sounds like a Eurostar season ticket job to me.

I've just received a missive from Unity, a computer software consultancy. It starts off: "Unity Corporation, supplier of Unity Vision, the advanced Client/Server Web enabled application development environment, has made two key appointments."

Now I'm as big a fan of the Internet as anyone - fully modernised, me - but this seems to be taking technology to new baroque heights.

As far as I can ascertain, Unity Vision is a software "template" which financial companies can use to design and build computer systems, which can then be accessed by their operations around the world via the Internet.

Roger Turner, co-founder and managing director of United Gas, has always been a leading advocate of independent gas supply in the UK.

It's now 12 months since Utilicorp UK, a Kent-based company, acquired full control of United Gas, and Mr Turner is leaving to look for new opportunities in the energy field.

There may be a few people at TransCo, the former British Gas pipeline business, who may breathe a sigh of relief at Mr Turner's absence, however temporary, from the utilities stage.

He was a vocal fan of the huge price cuts forced on TransCo early last year by Clare Spottiswoode of Ofgas. She plumped for 20 per cent cuts, but he called for 30 per cent. Whatever the redoubtable Mr Turner decides to do next, he's not short of a bob or two, having made a fortune several times over.

Electricity, rail and water utility chiefs should keep their fingers crossed in case he decides to take them on.

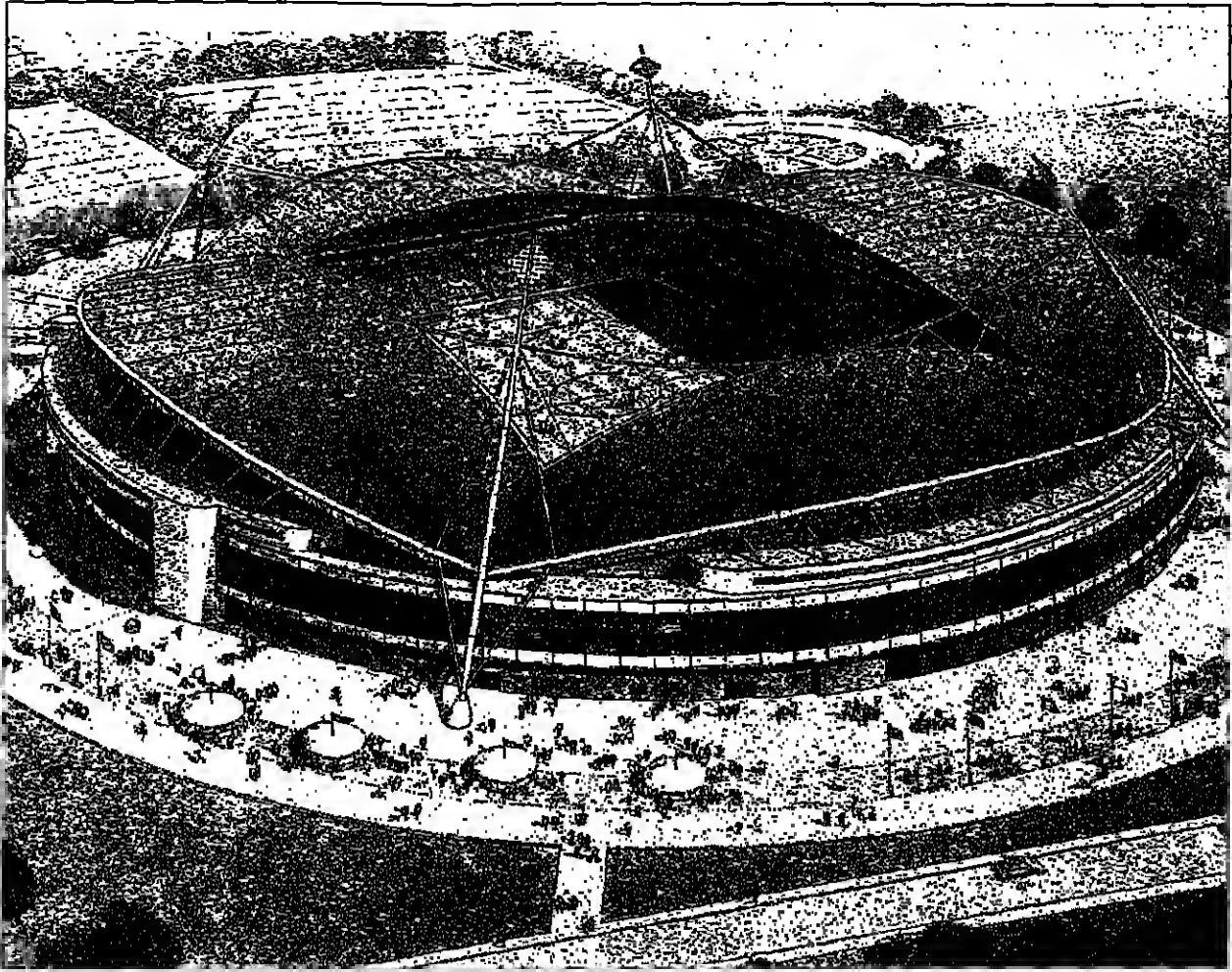
Nationwide building society, that champion of mutually standing four-square, or rather Camille-like, against the rising tide of conversions, has introduced new blood to its board. Jonathan Agnew and John Engeström have joined as non-exec directors.

Mr Agnew is a former chief executive of Kleinwort Benson and ex-managing director of Morgan Stanley. He's executive chairman of London Insurance Market Investment Trust and a member of Lloyd's. Mr Engeström is another big noise from the insurance world, who spent 16 years with Skandi and was recently appointed chief executive of Liberty Re.

Speaking of former chief executives of Kleinwort Benson, Simon Robertson, who left that post last Friday, has popped as a non-executive director at BTR, the exciting engineering conglomerate. BTR insists he was approached before his shock departure. Simon is already a non-exec at John Mowlem, Incheape and The O'Connor Group of New York. Stand by for a full-time appointment.

John Willcock

## Bolton Wanderers could be 'starting point for a leisure group' with cash-rich Mosaic



Bolton Wanderers, the footballing home of one of England's great forwards, Nat Lofthouse, is in the acquisitive sights of Mosaic Investments, the cash-rich shell company run by David Williams. Dealings in Mosaic's shares were suspended yesterday after the price jumped from 46p to 81.5p after news of the proposed deal leaked out. Mosaic's balance sheet shows £10m of cash and £10m of accumulated tax losses, which would come into play if it can reach a reverse takeover agreement with Bolton. Mr Williams and Bolton declined to give any financial details about the negotiations, which are at an early stage. Bolton, 10 points clear at the top of Division One, look a certainty to win promotion to the lucrative Premiership. They should kick off in the top flight in a new £35m stadium that is nearing completion (left). Mr Williams said he had previously considered bidding for Nottingham Forest. "I know there has been a lot of hype about football and some share prices on silly valuations, but Bolton has been run as a proper business... and would be a good starting point to develop a leisure group."

## Foreign Exchange Rates

Country	Spot	1 month	3 months
US	161.21	161.21	161.21
Canada	27.996	27.996	27.996
Germany	2.7104	2.7104	2.7104
France	534.31	534.31	534.31
Italy	274.4	274.4	274.4
Japan	166.0	166.0	166.0
ECU	162.34	162.34	162.34
Denmark	57.49	57.49	57.49
Netherlands	11.54	11.54	11.54
Norway	3.189	3.189	3.189
Spain	234.33	234.33	234.33
Sweden	2.33	2.33	2.33
Switzerland	2.002	2.002	2.002
Australia	2.051	2.051	2.051
Hong Kong	5.491	5.491	5.491
Malaysia	2.293	2.293	2.293
New Zealand	2.293	2.293	2.293
Saudi Arabia	6.045	6.045	6.045
Singapore	2.293	2.293	2.293

## Other Spot Rates

Country	Spot	1 month	3 months
Argentina	16.22	16.22	16.22
Australia	2.051	2.051	2.051
Brazil	1.675	1.675	1.675
Canada	2.7104	2.7104	2.7104
China	5.491	5.491	5.491
France	534.31	534.31	534.31
Germany	2.7104	2.7104	2.7104
India	2.293	2.293	2.293
Indonesia	2.293	2.293	2.293
Italy	274.4	274.4	274.4
Japan	166.0	166.0	166.0
Malaysia	2.293	2.293	2.293
Philippines	2.293	2.293	2.293
South Africa	2.293	2.293	2.293
South Korea	2.293	2.293	2.293
Taiwan	2.293	2.293	2.293
Thailand	2.293	2.293	2.293
UK	1.00	1.00	1.00
USA	1.00	1.00	1.00

Forward rates quoted high to low at a discount, subtract from spot rate  
Rate quoted low to high at a premium, add to spot rate  
\*Dollar rates quoted as reciprocals  
For the latest foreign exchange rates call 0891 123 3033  
Costs cost 50p per minute (day rate) 45p other times

## Interest Rates

Country	Spot	1 month	3 months
US	5.00%	5.00%	5.00%
Canada	5.00%	5.00%	5.00%
Germany	5.00%	5.00%	5.00%
France	5.00%	5.00%	5.00%
Italy	5.00%	5.00%	5.00%
Japan	5.00%	5.00%	5.00%
UK	5.00%	5.00%	5.00%
Switzerland	5.00%	5.00%	5.00%
Australia	5.00%	5.00%	5.00%
South Africa	5.00%	5.00%	5.00%
South Korea	5.00%	5.00%	5.00%
Taiwan	5.00%	5.00%	5.00%
Thailand	5.00%	5.00%	5.00%
UK	5.00%	5.00%	5.00%
USA	5.00%	5.00%	5.00%

## Money Market Rates

Country	Spot	1 month	3 months
US	5.00%	5.00%	5.00%
Canada	5.00%	5.00%	5.00%
Germany	5.00%	5.00%	5.00%
France	5.00%	5.00%	5.00%
Italy	5.00%	5.00%	5.00%
Japan	5.00%	5.00%	5.00%
UK	5.00%	5.00%	5.00%
Switzerland	5.00%	5.00%	5.00%
Australia	5.00%	5.00%	5.00%
South Africa	5.00%	5.00%	5.00%
South Korea	5.00%	5.00%	5.00%
Taiwan	5.00%	5.00%	5.00%
Thailand	5.00%	5.00%	5.00%
UK	5.00%	5.00%	5.00%
USA	5.00%	5.00%	5.00%

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## Tourist Rates

Country	Spot	1 month	3 months
US	1.00	1.00	1.00
Canada	1.00	1.00	1.00
Germany	1.00	1.00	1.00
France	1.00	1.00	1.00
Italy	1.00	1.00	1.00
Japan	1.00	1.00	1.00
UK	1.00	1.00	1.00
Switzerland	1.00	1.00	1.00
Australia	1.00	1.00	1.00
South Africa	1.00	1.00	1.00
South Korea	1.00	1.00	1.00
Taiwan	1.00	1.00	1.00
Thailand	1.00	1.00	1.00
UK	1.00	1.00	1.00
USA	1.00	1.00	1.00

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Costs cost 50p per minute (day rate) 45p other times

## Latest Unit Trust Prices

Country	Spot	1 month	3 months
US	1.00	1.00	1.00
Canada	1.00	1.00	1.00
Germany	1.00	1.00	1.00
France	1.00	1.00	1.00
Italy	1.00	1.00	1.00
Japan	1.00	1.00	1.00
UK	1.00	1.00	1.00
Switzerland	1.00	1.00	1.00
Australia	1.00	1.00	1.00
South Africa	1.00	1.00	1.00
South Korea	1.00	1.00	1.00
Taiwan	1.00	1.00	1.00
Thailand	1.00	1.00	1.00
UK	1.00	1.00	1.00
USA	1.00	1.00	1.00

Forward rates quoted high to low at a discount, subtract from spot rate  
Rate quoted low to high at a premium, add to spot rate  
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on +44 171-825-8430 or email: leanne.gilliar@ft.com

Country	Spot	1 month	3 months
US	1.00	1.00	1.00
Canada	1.00	1.00	1.00
Germany	1.00	1.00	1.00
France	1.00	1.00	1.00
Italy	1.00	1.00	1.00
Japan	1.00	1.00	1.00
UK	1.00	1.00	1.00
Switzerland	1.00	1.00	1.00
Australia	1.00	1.00	1.00
South Africa	1.00	1.00	1.00
South Korea	1.00	1.00	1.00
Taiwan	1.00	1.00	1.00
Thailand	1.00	1.00	1.00
UK	1.00	1.00	1.00
USA	1.00	1.00	1.00

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## sport

FOOTBALL: Ferguson's side may have come of age in Europe after learning from previous misadventures, says Glenn Moore

# United surpassing club's old masters



In the wake of Manchester United's stunning 4-0 win over Porto in the European Champions' League quarter-final on Wednesday night, some commentators evoked the memory of another great United performance against a Portuguese side, the 5-1 victory over the Lisbon Lions against Benfica 31 years ago.

Now, this is not to denigrate that performance, away from home against a wonderful team, but there is no comparison. On Wednesday's display the contemporary United would have slaughtered the team of Best, Law and Charlton.

Hensy? Watch the games on video. Much of the earlier match was played at near walking pace and, though there was a lot of largely unpunished brutal fouling, space in most parts of the pitch was widely available and Benfica's defensive marking was diabolical.

Wednesday's match was played at high speed throughout with players closed down the moment they had possession. United's work-rate was as phenomenal as their skill and movement. As Gary Pallister, who illustrated United's confidence with one second-half break-out, said: "It was a bit like watching Juventus against us in Turin. Everyone chased the ball and hunted down any Porto player who had it."

Obviously, given modern training methods and playing disciplines, most of the old masters would be as impressive as their successors. Application is easier to instil than skill, though not everyone can manage it. Even so, the contrast

demonstrates just how much the game has moved on and just how good modern football, for all its critics, is.

Wednesday night also suggested that, with astute management and intelligent play, English clubs can again match the best in Europe. It is a dozen seasons since an English club, Liverpool, reached the last four of the Champions' Cup. That season ended in tragedy and exile at Heysel. Since English teams returned to the competition in 1992, Arsenal, Leeds, Manchester United twice, and Blackburn had all failed to even reach the last four.

Now United, barring a catastrophe in Oporto in 12 days' time, will be there. They would meet either Borussia Dortmund or Auxerre, the German

side lead 3-1 from the first leg but will have the dismissed Stefan Reuter suspended for the second. Yesterday, Uefa were not sure if his suspension would also affect the semi-final. Who plays at home first will be decided by a draw in a fortnight.

United would then be two games away from what would be a very emotional final – the game is to be played in Munich, the city in which the Busby Babes died.

Manchester United's victory was a triumph for Alex Ferguson's tactical awareness and his players' ability to learn from their earlier European misadventures. While it was the style of their victory which caught the eye, their defensive concentration was equally impressive and just as crucial. After an early

stutter they locked Porto out completely. The match may come to be seen as a turning point for Ferguson's United, a coming of age.

Alex Ferguson will have been particularly pleased at the way his team kept going. He continually complains that they struggle to kill off teams and, at half-time, one wondered if they could retain the tempo, concentration and passion.

The only blot was a silly and out-of-character booking for Denis Irwin, for kicking the ball away. United still have the best disciplinary record of the eight remaining sides. Though suffering seven bookings – Irwin, David Beckham, Eric Cantona, Roy Keane, Gary Neville, Ole Gunnar Solskjaer and Jordi Cruyff – they have yet to suffer a suspension. Porto, who will have three players suspended for the second leg, have had 16 yellow cards and Atletico Madrid 20.

It is this type of discipline which is likely to gain England an extra Uefa Cup place as one of the top three countries in the European fair-play league. They are currently first.

Incidentally, if United win the cup and also finish in the first two of the domestic league, as seems likely, England will not be given a third place in the expanded Champions' League. United's win will have given Glenn Hoddle mixed feelings. While the national coach will have been delighted at the performances of the five English players, the victory increased the likelihood that they will not be available to him this summer.

Ferguson's threat to withdraw his players from the French tournament to rest them may seem unnecessary to some. Af-



David May (centre) celebrates his goal for United on Wednesday with Eric Cantona.

Photograph: David Ashdown

ter all, even if United win the European Cup they will only play 34 matches this season including the Charity Shield. No Premiership side, not even Wimbledon, will play 60 while Everton will play just 42. When Tottenham won the Uefa Cup in 1973 they played 70.

However, we come back to the speed of the modern game. "It has got faster and more physical," said Pallister, "yet we still play 50 games a season. I don't know how long players have got to keep voicing their opinion that we play too much. There

is enough money in the Premiership now to allow the league to be streamlined."

Dream on. Taking away two home games would cost United nearly £2m in gate receipts and spin-off income. For them that can be counterbalanced by the £10m added to their

share value within half an hour of the Stock Exchange opening yesterday morning in the aftermath of Wednesday's win, but not many clubs have that luxury. They are no more likely to give up those games than United are to surrender their lead.

## Mixed emotions beneath the crooked spire



Chesterfield Football Club were founded in 1866. Until this season, the furthest they had progressed in the FA Cup was the fifth round, in 1933, 1938 and 1950. On Sunday they play Wrexham in the sixth, a game that has an almost unassailable claim to be the biggest in their history. So how would Craig Thomas, editor of the club's fanzine, greet the team's manager, John Duncan, if they met in the street? Thomas would like to strangle him.

Such an action would come as no great surprise to regular listeners to *Praise or Grumble*, Radio Sheffield's football phone-in. There, Chesterfield fans have established a formidable reputation as world-class grumblers. Faults are found even in famous victories, and the run in the Cup has been accompanied by a stream of complaints about ticket allocation. Indeed, if the enduring conundrum that is a football club's relationship with its fans is ever chronicled in a book, Chesterfield deserve a chapter of their own.

Not that Thomas, a history teacher at a local school, sees himself as a moaner. But, for nearly three years now, he has passionately taken Duncan to task for playing a defensive, long-ball game that has brought some success but precious little entertainment.

Writing in the excellent *Crooked Spire* – a fanzine in the traditional mould, lots of densely packed type, a couple of photocopied pictures with captions on them, and not a sheaf of glossy paper in sight – when the Cup run got under way, he

roshly predicted Chesterfield would defy history and make the third round of the FA Cup. They had done so just 11 times in the previous 45 years, an achievement that would in itself make the season memorable.

Yet with the club now three rounds further, Thomas sees no reason to temper his views. "I am not going to be bought off by a Cup run," he said this week. "It's such a patronising attitude: we'll have a good Cup run, so everything's OK. Well, we have to watch them for the other 50 or so games a season, and the football is terrible."

Would he like to see Duncan sacked? "That's very difficult, because who's to say we'll get any better. There are so many lemons out there. It's not just Duncan. It's the board that would decide and we have no faith in them."

Tell Thomas that Chesterfield, who are 11th in the Second Division, have the third best defensive record in the League, and he counters by pointing out that they are the third lowest scorers in the Nationwide.

Nor is he appeased by the second-half performance which disposed of Nottingham Forest in the fifth round, and impressed a watching nation on *Match of the Day*. "We kept the ball. If we could play like that every week there wouldn't be an issue."

Stuart Basson, Thomas' predecessor in the editor's chair, shares his opinion, but both acknowledge that there are plenty who take the contrary view in a controversy – at times more Watergate than Saltfargate

– which frequently finds its way on to the Internet.

Mick Sargerson has yet to engage in that debate, but at 67 the retired engineer represents the case for Duncan's defence. "I don't think some give John Duncan the credit he deserves. The team hasn't been given enough credit for being intelligent and good enough to play according to the tactics that the manager decides," he said.

Sargerson, who has followed the team since the 1930s, was at Bolton when the First Division leaders were beaten 3-2 in the fourth round. "I have never been so proud of the Chesterfield team as I was that night at Bolton."

Cup fever is a strange mal-

### FA CUP COUNTDOWN



Matt Tench hears why not all Chesterfield fans are happy despite reaching the FA Cup quarter-finals

dy, though. On a bright spring day this week there were few overt signs that the local football club were approaching the highest game in their history.

The ribbons in the butcher's window, so beloved by television producers, were conspicuous by their absence, as were youngsters wearing Town shirts in the busy Market Square (they are still known as "Town", long after the name was

dropped from their official title). Yet, in conversation, it does seem to be the talk of north Derbyshire. There is a special edition of the local paper, the team have produced a cup record and the demand for tickets has prompted the club to bring in extra staff.

The decision to move the game back to Sunday morning, at the request of the police, has caused a certain amount of

consternation, as has the fact that it will only be televised live in Wales (some of the ticketless are planning a day trip to the Principality).

Come the big day, though, most of the Sunday leagues will kick off at nine, though – disappointingly – the Solemn Mass at the Parish Church of St Mary and All Saints, whose crooked spire is Chesterfield's most notable landmark, goes ahead as normal at 11am.

To the question as to whether Chesterfield is a footballing town there was a mixed response. Thomas felt it was, and that in recent times he detected more interest from the children at school. Sargerson was not so sure. Gates are around

4,000, up on last season, but well down, for instance, on the 12,000 or so that saw the Fourth Division championship won back in 1970. No one doubted that the closure of all the local coal mines – once there were 27 pits in the surrounding area, now there are none – had an impact.

In the club's bar Roy Pollard, himself an ex-miner, said many could no longer afford to go. "Once upon a time it was five to 10 bob to get into a football match. Now, if a father goes with his son, it's the best part of 20 quid. The '84 strike decimated this town. Everybody was penniless. It broke up marriages and broke up communities and affected the football club."

As the team's unofficial historian, Stuart Basson is able to lend Chesterfield's current success a little perspective. There was a brief golden period from the mid-30s to 1951, when as members of the old Second Division the likes of Newcastle, Manchester United and Spurs were regular visitors. But for the last 40 years the club have bounced between the Third and Fourth Divisions (or Second and Third in the post-Premier world), and FA Cup aside, they must have set some sort of record in the League Cup in all its guises, with a best-ever run to the fourth round in 1965.

The best Chesterfield player of all time, Basson reckons, was Herbert Munday, a regular goalscorer around the turn of the century. "Unquestionably, if he had played in the First Division he would have played for England."

The club's most flamboyant

character, in Basson's view, dates back even further. By the time the goalkeeper Charlie Bunyan joined Chesterfield in 1892, he had already famously conceded those 26 goals when playing for Hyde United against Preston.

His fame did not end there. "He was always in trouble with the authorities when with us. He ran a pub where the fans used to congregate, and used to tell them what was really going on."

The consensus this week was that, of the modern Chesterfield teams, the present side are better defensively but not as good overall as the Arthur Cox side which won the Anglo-Scottish Cup in 1981 (beating Rangers on the way), though better than the one whose 4-4 draw at Anfield hastened Graeme Souness's departure.

Wrexham, who have a good record against Chesterfield in recent years, are feared far more than Forest, who had been beaten in a pre-season testimonial and were considered ripe for the taking. The absence of Darren Carr, and Kevin Davies, sent off in the brawl with Plymouth 13 days ago, is bound to affect them – especially Davies, who is the club's most skilful player. He scored a hat-trick at Bolton.

To have any chance, it looks as though John Duncan will have to inspire another rearguard action. If he does, however, Craig Thomas will not be complaining. "The Cup is different," he said. "I don't care how we win in the Cup. We'll leave the cerebral stuff until later."



Dancing off the streets: FA Cup fever has been hard to find in Chesterfield town centre

Photograph: David Ashdown

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**Russia**  
The Black Sea town of Sochi, once a favourite resort with the Soviet Union's communist elite, is facing a footballing invasion when the 1997 Russian League season opens next week.

No fewer than eight clubs have been ordered to play their first two home games on neutral grounds after failing to install undersoil heating, as the Russian authorities try to eliminate postponements due to frozen pitches.

Sochi's Central stadium stages four matches on the first weekend of the season: Sochi's own club, Zhemchuzhina, host the champions, Spartak Moscow, and Rotor Volgograd play Chernomorets Novorossiysk on 16 March. The following day Dynamo-Gazovik, Tyumen meet Rostselmash Rostov and Fakel Voronezh play Zenit St Petersburg. Another club, Shinnik Yaroslavl from the northern Volga, will play their first "home" game against Torpedo Moscow at Krasnodar.

Rotor Volgograd are most

**Albania**  
Two Albanian World Cup qualifying matches will be moved from the troubled Balkan country and played in neutral countries, Fifa ruled yesterday.

Albania's 29 March home game against Ukraine and the 2 April game against Germany will be staged at venues to be announced today.

Rupert Metcalf

**AROUND THE WORLD**

displeased. "The whole city has waited all through a long winter to see Rotor play and this decision is not in the interests of football," Alexander Pavlov, a club official, said.

**FA to probe Altrincham trouble**

**Non-League notebook**  
RUPERT METCALF

The Football Association is to hold an inquiry next Wednesday into the disorder that marred last weekend's FA Umbro Trophy tie between Altrincham and Bishop Auckland. The match was suspended for 24 minutes by the referee after away supporters allegedly attacked police, and eight fans were arrested.

Bishop Auckland's president, Brian Newton, apologised for the conduct of his club's fans yesterday. "The club wishes to place on record it totally deplores the actions of a minority of people at the game whose actions are a total discredit to football," he said.

It has also emerged that a bizarre fracas involving players took place after the game. Two years ago Bishop Auckland were taken to court by a Macclesfield Town player, George Shepherd, who had had his leg

broken playing against the Bishops. Without insurance, the County Durham club faced bankruptcy, so they launched a fund-raising campaign, of which the highlight was a friendly against Manchester United. They raised £30,000, which paid for an out-of-court settlement.

Fit again, Shepherd now plays for Altrincham, and last Saturday was the first time he had faced the Bishops since his injury. He gave away the penalty which led to the only goal of the game, which Bishop Auckland won despite having two men sent off.

After the match, Shepherd apparently came to blows with a Bishops player, George Adams, in the club car park. Both sides are blaming each other. Altrincham's chairman, Gerry Berman, has reportedly claimed that Shepherd was assaulted after leaving the Moss Lane clubhouse.

The Bishop Auckland line is that Shepherd started the fight by striking the first blow. An Altrincham player ran up from behind one of our players and punched him in the face, busting his nose and lip," Tony Lee, their manager, said.

An FA official who witnessed the disturbance was apparently knocked in the ground as the players came to blows – his contribution to Wednesday's inquiry will be anxiously awaited by both clubs.

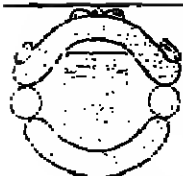
Working as radar technology to probe their pitch at Kingsfold stadium, after Tuesday's GM/Vauxhall Conference game against Hayes was abandoned in the first half following the discovery of a two-foot hole in the playing surface.

The trouble has been blamed on the collapse of an underground drainage system, so Working are resorting to the same soil-probing radar system used by police to track the progress of the environmental campaigners who dug tunnels under the A30 roadworks in Devon.









## European Cup

Glenn Moore on how United have learnt their lessons, page 26

# sport

## FA Cup

Matt Tench on Chesterfield's brush with fame, page 26



# Gascoigne set for new deal at Ibrox

**Football**  
ALAN NIXON

Rangers have confirmed they are set to open talks with Paul Gascoigne about a new contract after speculation that the midfielder would return to England. Rangers' vice-chairman, Donald Findlay, said that negotiations will begin soon regarding a deal which would keep the 29-year-old at Ibrox.

Everton hope to complete the £5m transfer of Slaven Bilic today, leaving West Ham angry about the loss of their Croatian international centre-half.

## Scottish League may stay the same

Reconstruction of the Scottish League is looking increasingly unlikely following a meeting of the League's management committee yesterday. The committee decided at a recent meeting to back the First Division clubs' proposal of a three-division set-up of 16-12-12. But, although the matter is still on the agenda of the League's annual meeting on 30 May, a number of Premier Division clubs are known to be against the idea.

The League's secretary, Peter Donald, said: "The debate continues to assess whether or not there would be a sufficient number of clubs to support the idea. The First Division clubs have been asked over the next week or two to assess the situation and report back."

Hibernian will be lifted by the return from suspension of their midfielder Pat McGinlay for tomorrow's Premier Division

fixture against Dunfermline at Easter Road. The match is a rearranged game, with both sides having suffered early Tennents Scottish Cup exits.

McGinlay is available again after missing four games through suspension following a red card against Dundee United at Tannadice. His return is a lift for his manager, Jim Duffy, who still has a number of players out injured, including Graeme Donald, John Hughes, Rab Shannon, Gordon Hunter, Shaun Dennis and Andy Dow.

Dennis may make the Dunfermline match, while Chic Charley should shake off a knock and Jamie McQuilken is fit. The striker Barry Lavelly, on the way back after six months out because of a virus, scored in another comeback match on Monday, but Duffy says it is too early to include him in his first-team plans.

and Mauricio Solis have signed for Derby County. Wanchope, a striker, and midfielder Solis both signed three-year contracts and expect to be available for their debuts on 22 March.

Tony Yeboah has asked for a transfer from Leeds, although his manager George Graham insisted he has "no problems" with the Ghanaian striker. Graham said yesterday: "That is news to me. I know nothing about this and I don't know where these stories come from."

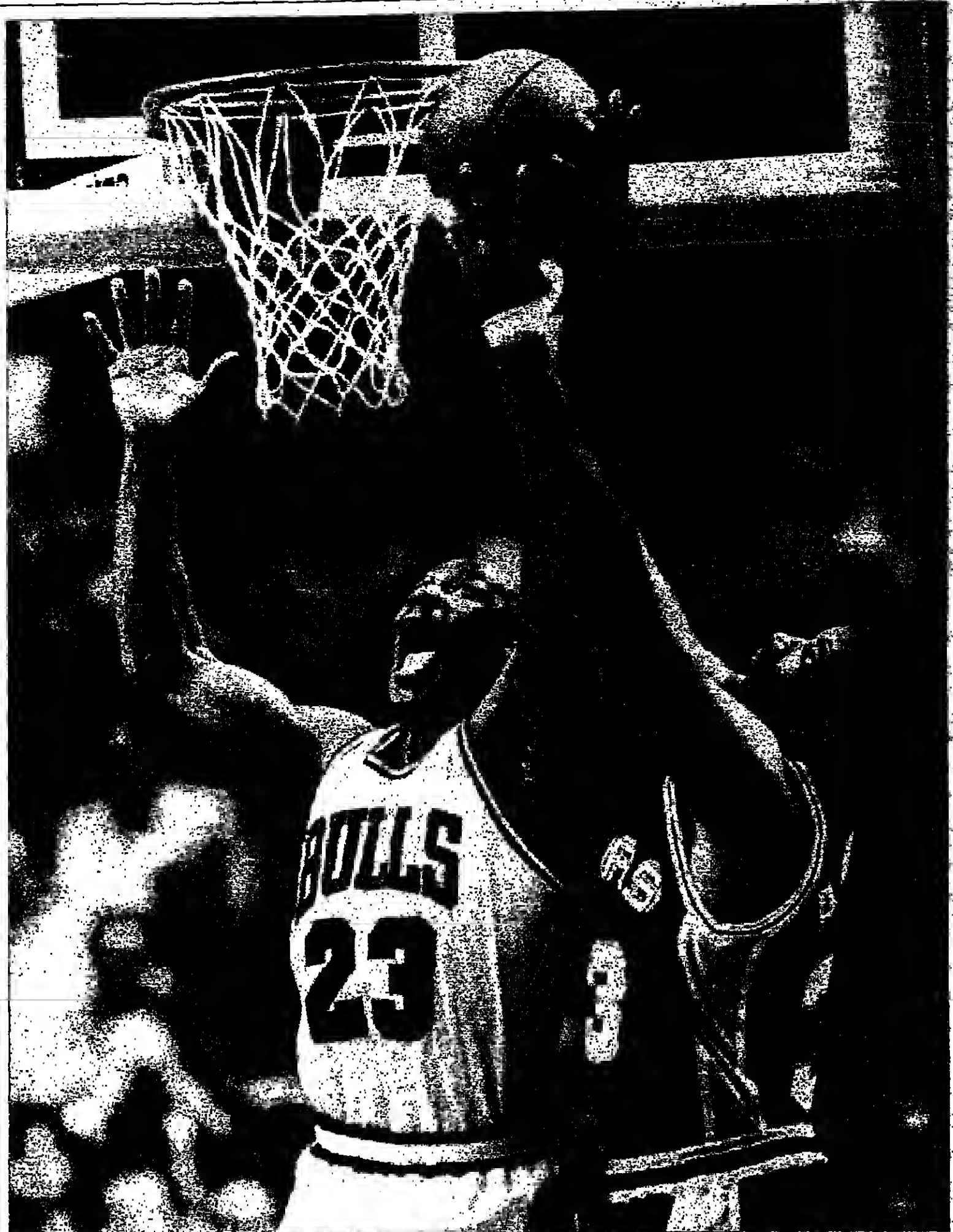
The League Managers' Association will take no action against Leicester's manager Martin O'Neill about remarks made in the club programme towards his Filbert Street successor, Mark McGhee, now in charge of Wolves.

O'Neill had written that he hoped Leicester fans would forgive another of his successors. Villa's manager Brian Little - but he followed that by writing: "However, what you wish to do if and when Mark McGhee visits us with Wolverhampton Wanderers is at your own discretion." The LMA chief executive, John Barwell, said: "We have spoken to Martin O'Neill and we are satisfied that nothing serious was intended by his comments."

Brighton's manager Steve Gritt's efforts in hauling the club towards safety have been rewarded with the Third Division manager of the month award for February.

Reading have parted company with the Bulgarian World Cup goalkeeper Borislav Mikhailov six months before his contract was due to end.

Newcastle, who have operated without a reserve side this season, will have four teams next term: the first XI, a reserve side, plus a team in the Northern Alliance and a junior XI.



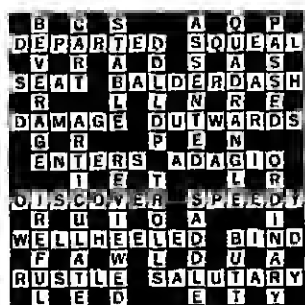
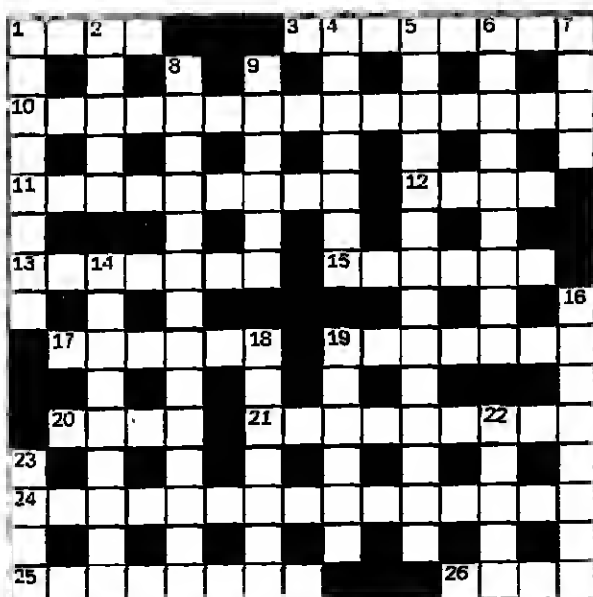
Michael Jordan, of the Chicago Bulls (left), battles with San Antonio Spurs' Greg Anderson during the NBA game in Chicago. The Bulls, playing without the suspended Dennis Rodman, won 111-69. Photograph: Scott Olson/Reuters

## THE INDEPENDENT CROSSWORD

No 3248, Friday 7 March

By Phil

Thursday's solution



### ACROSS

- 1 Sick, without question - that's understandable (4)
- 3 The croc I shot with a rebounding bullet (8)
- 10 Seeing everything prepared for bridge (5,2,3,5)
- 11 Mistakenly reports receiving gold antique reptile (9)
- 12 Crude Frenchman runs in confusion (4)
- 13 Dislike of French agents on radio (7)
- 15 Metallic animal knocked making a clattering (6)
- 17 Silent screen star working to add to incomplete portrayal of poet (6)
- 19 You'll see the tins flapping in this type of material? (7)
- 20 Island in the blue, we hear (4)
- 21 Result? 20-0 recalled the ultimate in discomfiture (9)

### DOWN

- 2 Space shot needing help, we hear - exciting mission? (8)
- 4 Wait to understand, having received edition of Bible (8)
- 6 Acquire fashionable girl with sex-appeal (7)
- 8 Struggling with a concept and not finding the bottom? (3,2,4,5)
- 9 Multicoloured energy going into causing lameness (9)

- 7 Bound to be a little tight, i.e. drunk (4)
- 8 Guess it's no colder at night? (1,4,2,3,4)
- 9 Delirious, embraced by a Parisienne, having clothes rumpled? (6)
- 14 Henry's placed in unconventional kids' home in part of Saudi Arabia (9)
- 16 Soldiers involved in wager had moved fast (8)
- 18 Numbers on court case needing a breather? (7)
- 19 Knowing about musical work (piano) supplied by disk? (6)
- 22 Independent's vague about nothing, in a manner of speaking (5)
- 23 Shelf in hall I set up (4)

## Standing start for Hill

### Motor Racing

Damon Hill would be especially pleased with anyone who suggested that he had hit rock bottom since leaving Williams. He is sensitive about being the butt of any jokes as he had nothing to sit upon in his build-up to the Australian Grand Prix. The world champion's specially designed seat for his new Arrows-Yamaha car did not appear on schedule in Melbourne.

Arrows technicians were faced with the prospect of having to build him a new one in case the original failed to arrive. The seat, which is moulded to suit each individual driver "is one of the most important parts of the car," according to the Arrows technical director, Frank Dernie. "Damon cannot race without one, that's for sure," he added perceptively.

Apparently, it usually takes about three hours to build a new seat, and as Dernie pointed out: "The trouble is when you make a new one, you never get it right first time." Three fittings is apparently the bottom line.

The problem is the last thing Hill would have wanted as he prepared to launch the defence of his Formula One title.

Hill, who signed for Arrows in a £4.5m deal after being ejected by Williams, saw his pre-season testing hit by a series of technical problems and as he went into the opening event he was not expected to be among the front-runners this year.

Damon Hill is rated at 16-1 by William Hill to end the Formula One season without a single championship point. Hills made the champion 66-1 to retain his title, with Jacques Villeneuve the 4-6 favourite.

Michael Schumacher, who won the world title twice when with Benetton, was not expected to be absolutely flying around the street circuit in a Melbourne park either, predicting his Ferrari would make a slow start to the season. "We won't be able to win races in my view, not right from the beginning anyhow," he said.

The 28-year-old German has set his sights on earning enough points during the early rounds to stay in touch with the leaders in the hope of mounting a challenge later in the year.

"We should be able to get on the podium in the first couple of races," Schumacher said before embarking on the first official practice session. "I am sure that we will be competitive at certain times and I am hoping that we won't have lost too many points [by then]."

Villeneuve has emerged as the driver to beat after Williams-Renault promoted him after dispensing with Hill for this season. Villeneuve, runner-up to Hill last year, said he hoped other drivers would also emerge as potential rivals.

"I hope it's going to be head-to-head with many more drivers than just Michael, because it's more fun," said Villeneuve, who was also second behind Hill in last year's Australian Grand Prix on his debut in Formula One.

## England players to bear Brearley in mind

### Cricket

Mike Brearley, the former England captain, is preparing to put the current international crop of players in the best frame of mind for their Ashes challenge this summer.

Brearley, now 54, practises as a psychoanalyst and is being seen as a vital part of England's preparations for the visit of the Australians this summer. He is being employed, on a casual basis, by the England and Wales Cricket Board, who are keen to use his professional skills and experience in cricket.

One of Brearley's tasks will be to help deal with players' personal problems that they may feel unable to discuss with the team management. Brearley yesterday confirmed he had been called in by the ECB but would not expand on his role.

"Mike is now a psychoanalyst by trade and if we feel he can be of any assistance to us he will always be on hand," an ECB spokeswoman said. "He is not being hired officially by us but he is always happy for us to call on him."

Brearley, who was an excellent motivator of players during his days as England captain, trained as a psychologist during his career and taught philosophy at the University of California and Newcastle University.

David Lloyd, the England coach, confirmed that Brearley would become part of the set-up for the Ashes series when he returned from New Zealand yesterday with the rest of the England squad.

Arriving at Heathrow Airport, Lloyd said: "Mike won't help with preparations in terms of tactics for the games, but he shall have an involvement if players choose to see him by helping their mental game."

England start against Australia with the first of three one-day internationals on 22 May.

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